



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: 017723

In the matter between:

**Old Mutual Investment Group
(South Africa) (Pty) Ltd**

Primary Acquiring Firm

and

Main Street 642 (Pty) Ltd

Primary Target Firm

Panel	:	Mondo Mazwai (Presiding Member) Medi Mokuena (Tribunal Member) Fiona Tregenna (Tribunal Member)
Heard on	:	02 October 2013
Order issued on	:	02 October 2013
Reasons issued	:	30 October 2013

DECISION

Unconditional approval

[1] On 02 October 2013, the Competition Tribunal (‘Tribunal’) unconditionally approved a proposed acquisition by Old Mutual Investment Group (South Africa) (Pty) Ltd of Main Street 642 (Pty) Ltd.

[2] The reasons for approving the proposed transaction follow.

Parties to transaction

The primary acquiring firm

[3] The primary acquiring firm is Old Mutual Investment Group (South Africa) (Pty) Ltd (‘OMIGSA’). OMIGSA is a wholly-owned subsidiary of Old Mutual (South Africa) (Pty) Ltd and its ultimate holding company is Old Mutual plc.¹⁾ Old

Mutual plc is listed on the London, Johannesburg, Malawi, Namibia and Zimbabwe stock exchanges. Old Mutual Plc is a global long-term savings, banking and investment group.

[4] OMIGSA is a registered investment portfolio management company which provides services to retail and institutional investors. It falls into Old Mutual Plc's emerging markets division.

The primary target firm

[5] The primary target firm is Main Street 642 (Pty) Ltd ('Main Street '). Old Mutual Life Assurance Company ('OMLACSA '), which is a sister company to OMIGSA in the Old Mutual plc group, currently holds a 40.6% interest in Main Street. Mezzanine Partners 2, LP holds a 40.6% interest. Ethos Capital V GP (SA) (Pty) Ltd, Ethos Capital V GP (Jersey) Limited and the Ethos Fund V Co-Investment Trust (collectively referred to as 'Ethos ') hold a 18.8% interest.

[6] The sole purpose of Main Street is to hold preference shares in the issued share capital of Tiswala Holdings (Pty) Ltd ('Tiswala ') which is owned by Kagiso Tiso Holdings, which is an investment-holding company with portfolios in the financial services, power, infrastructure, media and property sectors.

[7] Tiswala is a ring-fenced investment vehicle whose only activity is its investment in Tiswala Investments (Pty) Ltd ('Tiswala Investments '). Tiswala Investments holds part of the issued share capital in Idwala Industrial Solutions ('Idwala '). Idwala is involved in the production of industrial minerals such as calcium carbonate and magnetite.

Proposed transaction and rationale

Proposed transaction

[8] In terms of the proposed transaction, OMIGSA will acquire a **[confidential]** interest in Main Street from OMLACSA and a **[confidential]** interest from Mezzanine Partners. In essence, OMIGSA will replace OMLACSA by acquiring

¹⁾ See page 785 of the record.

OMLACSA's interest in Main Street as well acquiring additional shares in Main Street, resulting in OMIGSA controlling **[confidential]** of the shareholding in Main Street, post the transaction. The remaining shares will be held by Ethos and Mezzanine Partners.

[9] Post-implementation of the proposed transaction, OMIGSA will control Main Street.

Rationale

[10] The acquiring firm's rationale for the proposed transaction is that **[confidential]**.

[11] The target firm's rationale for the proposed transaction is that **[confidential]**.

Competition assessment

Horizontal assessment

[12] There is no product or services overlap between the activities of the merging parties. Old Mutual plc does not control any firm involved in the production of industrial metals and the target firm is merely a ring-fenced investment vehicle through which preference shares are held in Tiswala Investments.

[13] Furthermore, the transaction does not alter the structure of the market for the production of industrial minerals.

Vertical assessment

[14] The proposed transaction will not result in any vertical effects.

Public interest

[15] The merging parties confirmed that the proposed transaction will not have any adverse impact on employment and that no retrenchments will result from the proposed transaction.²⁾ No other public interest issues arise as a result of this transaction.

²⁾ See page 3 of the merger record.

CONCLUSION

[16] Having regard to the facts above, we find that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. Furthermore, no public interest concerns arise as a result of the proposed transaction. Accordingly, we approve the proposed merger unconditionally.


Mondo Mazwai

30 October 2013
DATE

Medi Mokuena and Fiona Tregenna concurring

Tribunal Researcher: Nicola Ilgner

For the Commission: Xolela Nokele

For the merging parties: Daryl Dingley of Webber Wentzel