



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 017681

In the matter between:

BUSHWILLOW GD 271 INVESTMENTS (PTY) LTD

Primary Acquiring Firm

And

THE CAR TRADER (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 on	:	30 October 2013	

Reasons for Decision

Approval

- 1 On 02 October 2013, the Competition Tribunal ('the Tribunal ') unconditionally approved an acquisition by Bushwillow GD 271 Investments (Pty) Ltd of 100% of the shares and the business of The Car Trader (Pty) Ltd as a going concern.

2. The reasons for approving the proposed transaction follow.

Parties to the transaction

Primary Acquiring Firm

3. The primary acquiring firm is Bushwillow GD 271 Investments (Pty) Ltd (“ Bushwillow ”) which is a newly incorporated entity. Pursuant to the merger, Bushwillow will be controlled by its shareholders as follows:

- 3.1 Bopa Moruo Private Equity Fund 1 (Pty) Ltd (“ Bopa Moruo ”), which will own 25.768% of the ordinary issued share capital of Bushwillow;
- 3.2 Corvest 5 (Pty) Ltd (“ Corvest 5 ”) which will own 27.435% of the ordinary issued share capital of Bushwillow; and
- 3.3 Stockdale Street GP (Pty) Ltd in its capacity as the ultimate general partner of the Stockdale Street Investment partnership III (“ Stockdale ”) which will own 39.547% of the ordinary issued share capital of Bushwillow.

Bopa Moruo

4.1 Bopa Moruo is controlled by Bopa Moruo Private Fund Managers (Pty) Ltd (“ Bopa Fund Managers ”) which is in turn jointly controlled by Bopa Moruo Investments (Pty) Ltd (“ Bopa Moruo Investments ”) and Oakfield Capital Partners (Pty) Ltd (“ Oakfield Capital ”). Bopa Moruo Investments is wholly controlled by Boitumelo Tlhabanelo, while Oakfield Capital is wholly controlled by the Riverside Trust.

4.2 Boitumelo Tlhabanelo is a private individual who holds 100% of the shares in Restiflash (Pty) Ltd. The Riverside Trust is controlled by its beneficiaries, N.

¹⁾ N Khoele is a director of Bopa Moruo, Bopa Fund Managers and Oakfield Capital.

Khoele¹⁾, G. Khoele and an independent trustee and has no interest in any other firms.

Corvest 5

6. Corvest 5 is ultimately controlled by FirstRand Ltd (FirstRand), a company listed on the JSE and is not controlled by any other firms.

Stockdale

7. Stockdale is controlled by the Oppenheimer Family Trust which directly and indirectly controls a number of firms, collectively referred to as the Stockdale Group. Boitumelo Tihabanelo, the Riverside Trust, the FirstRand Group and the Stockdale Group, including their respective subsidiaries, will hereinafter be referred to as the "Acquiring Group".

Primary Target Firm

8. The primary target firm is the Car Trader (Pty) Ltd (Car Trader) a firm controlled by Trader Publishing Ltd (Trader Publishing). Trader Publishing is controlled by Trader Media Group Ltd (TMG). TMG is owned by Guardian Media Group Plc (GMG) and Apax Partners LLP, hereinafter referred to as the "Target Group".

Proposed Transaction and Rationale

9. In terms of the transaction, Bushwillow intends to acquire 100% of the shares and the business of Car Trader from Trader Publishing, as a going concern. The result of the transaction is that Bopa Moruo, Corvest 5 and Stockdale, together with certain management members of Car Trader shall acquire shares in Bushwillow. Post-merger, Bushwillow will have sole control over Car Trader.

10. The Acquiring Group views this transaction as a solid investment opportunity with growth opportunities moving forward.
11. The Target Group submits that this transaction constitutes a disposal of an overseas non-core business.

Relevant Market and Impact on Competition

10. The Acquiring Group, in particular, the FirstRand Group is active in the provision of financial services and products and holds investments in companies active in a diverse range of industries/sectors, including but not limited to mining, communication, telecommunications, property and energy. The Stockdale Group mainly invests in sectors specialising in fast moving consumer goods, agriculture, health and education. Bopa Moruo does not have any existing portfolio investments or any operations. Its controlling shareholders, Boitumelo Tlhabanelo and the Riverside Trust do not have any interests which overlap with those of the target firm.
11. Car Trader is a professional auto industry publisher in the motoring online and magazine advertising industry in South Africa. Car Trader offers classified adverts through its website and magazines for trade, private buyers and sellers across all types of used vehicles, including passenger and commercial vehicles, motorcycles and boats.
12. The products offered by either of the firms in the Acquiring Group cannot be considered reasonably interchangeable to those offered by the target firm.
13. Thus the Tribunal finds that there is no competitive overlap arising from the proposed merger.
14. Bopa Moruo (including its controlling shareholders) does not have any existing portfolio investments that compete with those of the primary target firm or those of any of the acquiring firms. The Stockdale Group and the First Rand

Group (through its investment arm Corvest 5) are investment firms that compete with one another. In particular, the Stockdale Group has a small percentage of less than 5% in Primedia which competes with Continental Outdoor Media and Global Outdoor Systems, both being firms in which Corvest 5 has interests respectively.

15. However, given that the Stockdale Group does not control Primedia or any of its investee companies, the Tribunal finds that the transaction is unlikely to present an opportunity for the exchange of competitively sensitive information between the three acquiring firms namely Bopa Moruo, the FirstRand Group, and the Stockdale Group.

Conclusion

16. In light of the above the Tribunal finds that the transaction is unlikely to result in a substantial prevention or lessening of competition in any market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approve the proposed transaction unconditionally.


Mondo Mazwai

30 October 2013
DATE

Medi Mokuena and Fiona Tregenna concurring

Tribunal Researcher: Derrick Bowles
For the merging parties: Acquiring Firm: Chris Charter from Cliffe Dekker Hofmeyr
Target Firm: Janine Simpson from Webber Wentzel
For the Commission: Reabetswe Molotsi and Grasham Mutizwa