



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM023Apr18

In the matter between:

OMPE GP IV (Pty) Ltd

Primary Acquiring Firms

The B Shareholders

And

Medhold Group (Pty) Ltd

Primary Target Firm

Panel	: Mr Andreas Wessels (Presiding Member)
	: Ms Andiswa Ndoni (Tribunal Member)
	: Prof Fiona Tregenna (Tribunal Member)
Heard on	: 23 May 2018
Order Issued on	: 23 May 2018
Reasons Issued on	: 7 June 2018

REASONS FOR DECISION

Approval

- [1] On 23 May 2018, the Competition Tribunal ("Tribunal") unconditionally approved the proposed transaction involving OMPE GP IV (Pty) Ltd ("OMPE"), "The B Shareholders" and Medhold Group (Pty) Ltd ("BidCo").
- [2] The reasons for approving the proposed transaction follow.

Parties to the proposed transaction and their activities

Primary acquiring firms

- [3] The primary acquiring firms are OMPE and "The B Shareholders". The B Shareholders constitute of a company, trusts and individuals that are current

shareholders in the business of Medsearch Industries (Pty) Ltd ("MSI") and its subsidiaries ("MSI Group").

- [4] OMPE is ultimately controlled in South Africa by Old Mutual Group Holdings (South Africa) (Pty) Ltd ("OMSA"), which is in turn ultimately owned and controlled by Old Mutual plc, a company listed on the London and Johannesburg Stock Exchanges. OMSA and all the firms controlled by it are hereafter referred to as "OM Group".
- [5] OMSA is an investment holding company active with investment portfolios in various businesses such as asset management, life insurance; banking and investment services; and short-term insurance. OM Group undertakes its investments through Old Mutual Investment Group Holdings (Pty) Ltd ("OMIG"). The activities of OMIG's portfolio are wide ranging and include activities such as the retail sale of golf and cycling equipment, accessories and related products and services; tourism services; the manufacturing and distribution of electro-mechanical equipment; and the manufacturing of recycled ferrous and non-ferrous metal products as well as recycled paper, cardboard and plastic products.

Primary target firm

- [6] The primary target firm is BidCo, a newly established vehicle incorporated to facilitate the proposed transaction and specifically to wholly own MSI Group.
- [7] MSI owns 90.48% of the issued shares in Medhold Investments (Pty) Ltd, which in turn owns 79.78% of the issued shares in Medhold Medical (Pty) Ltd.
- [8] MSI Group is active in the sale of medical devices, servicing and after-sales support. It also provides turn-key solutions to hospitals and healthcare IT systems.

Proposed transaction

- [9] The proposed transaction takes place over several steps. Ultimately OMPE intends to acquire 50% in the entire issued shares of BidCo and The B Shareholders will collectively hold the other 50% of all issued shares in BidCo.

Post-transaction, OMPE and The B Shareholders will exercise joint control over BidCo.

Impact on competition

[10] The Competition Commission ("Commission") investigated the activities of the merging parties and found no horizontal overlap between their activities or vertical relationships between them. The Commission therefore concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. We concur with the Commission's finding.

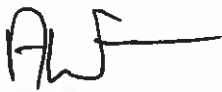
Public interest

[11] The merging parties confirmed that the proposed transaction will have no negative effects on employment.¹

[12] The proposed transaction further raises no other public interest concerns.

Conclusion

[13] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In addition, no public interest issues arise from the proposed transaction. Accordingly, we approve the proposed transaction unconditionally.



Mr Andreas Wessels

7 June 2018

Date

Ms Andiswa Ndoni and Prof Fiona Tregenna

Tribunal Case Manager: Jonathan Thomson

For the merging parties: Nazeera Mia of Cliffe Dekker Hofmeyr

For the Commission: Nonhlanhla Msiza

¹ Pages 10 and 75 of the Record.