



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 017954

In the matter between:

Premier Group (Pty) Ltd

Acquiring Firm

And

Lil-Lets Group Ltd

Target Firm

Panel	:	Takalani Madima (Presiding Member) Medi Mokuena (Tribunal Member) Andiswa Ndoni (Tribunal Member)
Heard on	:	30 October 2013
Order issued on	:	30 October 2013
Reasons issued on	:	27 November 2013

Reasons for Decision

Approval

1. On 30 October 2013 the Competition Tribunal ("the Tribunal") unconditionally approved an acquisition by Premier Group (Pty) Ltd ("Premier Group") of Lil-Lets Group Ltd ("Lil-Lets Group").
2. The reasons for the approval of the proposed transaction follow.

The Parties and their activities

3. The primary acquiring firm is Premier Group, a company incorporated in terms of the laws of the Republic of South Africa. Premier Group is jointly controlled by the following shareholders: (i) Capital Partners Group Ltd

("CPGHL") – 80%, (ii) Premier Management Trust 1 ("Manco Trust 1") – 11.5% and (iii) Premier Management Trust II ("Manco Trust 2") – 3.5%. The other shareholders of Premier Group are TNI Trust – 3% and Johannes Jacobus Gertenbach (2%). Premier Group directly controls the following firms: (i) Premier Foods (Pty) Ltd ("Premier Foods"), (ii) Premier Swazi Bakeries (Pty) Ltd and (iii) Friedshelf 767 (Pty) Ltd. CPGHL is a wholly-owned subsidiary of Brait Malta Ltd ("Brait Malta"). Brait Malta is a wholly-owned subsidiary of Brait S.E., a public company listed on the Luxemburg Stock Exchange and on the JSE Securities Exchange.

4. Premier Group is involved in the milling, distribution and marketing of branded maize and flour products as well as the branding, marketing, selling and distribution of bread. Brait S.E. is an investment company that invests its own funds raised from its shareholding directly in predominantly privately owned companies.
5. The primary target firm is Lil-Lets Group, a company incorporated in terms of the laws of the United Kingdom. The shareholders in Lil-Lets Group are (i) Electra Partners LLP ("Electra") - 61.69%, (ii) Trustees Sellers - 5.07% and (iii) Lil-Lets Management - 33.24%. Lil-Lets Group indirectly controls Lil-Lets South Africa (Pty) Ltd ("Lil-Lets SA") and Lil-Lets UK Ltd ("Lil-Lets UK").
6. Lil-Lets Group supplies a range of feminine hygiene and personal care products including tampons, pads, panty-liners and wipes. Lil-Lets Group also supplies "Dove" cotton wool products and Vulco latex gloves.

Proposed transaction and rationale

7. In this transaction Premier Group, acting through Premier Foods, intends to acquire 100% of the issued shares in Lil-Lets Group. As part of the post-acquisition restructuring, the operating assets of Lil-Lets SA will be sold into Premier Foods to form a new division of Premier Foods. Subsequently, the shares in Lil-Lets UK will be sold to Premier Foods.

8. From Premier Group's perspective, this transaction provides Premier Group with an opportunity to diversify its portfolio with a strong brand in the female hygiene sector.
9. Electra, which invested in Lil-Lets Group in 2006, wishes to realise its shareholding and believes that the Lil-Lets Group business is well positioned to benefit from the next stage of its growth under new ownership.

Competition analysis

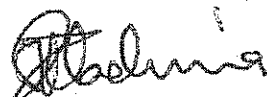
10. There is no horizontal overlap in the activities of the merging parties as neither Premier Group and/or its subsidiaries nor Brait S.E. and/or its subsidiaries are active in similar activities as those in which Lil-Lets Group and/or its subsidiaries are involved, i.e. supply of feminine hygiene products). There is also no vertical integration.

Public interest

11. 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.¹ The proposed transaction raises no other public interest concerns.

Conclusion

12. For the reasons mentioned above, we approve the proposed transaction unconditionally.



Takalani Madima

27 November 2013
Date

Medi Mokuena and Andiswa Ndoni concurring

¹ See merger record, pages 5. Also see paragraph 7.1 of the Commission's merger report.

Tribunal researcher: Ipeleng Selaledi

For the merging parties: Anthony Norton of Nortons Inc

For the Commission: Grashum Mutizwa