



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 66/LM/Oct09

In the matter between:

RZT Zelpy 5508 (Pty) Ltd

Acquiring Firm

And

INM Outdoor (Pty) Ltd

Target Firm

Panel	:	N Manoim	(Presiding Member),
		Y Carrim	(Tribunal Member)
		A Wessels	(Tribunal Member)
Heard on	:	25/11/2009	
Order issued on	:	25/11/2009	
Reasons issued on	:	18/02/2010	

Reasons for Decision

Approval

[1] On 25 November 2009 the Competition Tribunal approved the merger between RZT Zelpy 5508 (Pty) Ltd and INM Outdoor (Pty) Ltd. The reasons follow below.

The Transaction

[2] RTZ Zelpy, a shelf company, is acquiring the entire issued share capital of INM Outdoor from INM Outdoor Media. INM Outdoor will,

post the transaction, be jointly controlled by two investment groups, the Helios Acquiring Group and the CVCI Acquiring Group.

The Rational

- [3] INM Outdoor Media has elected to sell its interest in the target company to generate funding for its group while both acquiring groups regard the transaction as a good opportunity to invest in a large South African outdoor advertising company.

The parties and their activities

- [4] The primary acquiring firm is RZT Zelpy 5508 (Pty) Ltd ("RZT Zelpy"), a company registered under the laws of the Republic of South Africa. Its shareholders are:

- Safari Holdco (Mauritius) ("Safari Holdco") holding 70.85% of the shares,¹
- Africa Investments 2303 – Mauritius Ltd ("CVCI Mauritius") holding 16.25% of the shares,²
- Corvest 6 (Pty) Ltd ("Corvest") holding 12.90% of the shares.

- [5] Both the acquiring groups, Safari Holdco and CVCI Mauritius are investment companies and are active in investment fund management, banking and financial services.

- [6] The primary target firm is INM Outdoor (Pty) Ltd ("INM Outdoor"), a company registered in South Africa which is solely controlled by INM Outdoor Media (Pty) Ltd. INM Outdoor is active in outdoor advertising, such as billboards, in South Africa and various African Countries.

The relevant market and the impact on competition

- [7] INM Outdoor is active in the market for outdoor advertising and erection of billboards in which the Helios Group and the CVCI Groups are not active. The Commission found in its investigation that there is no horizontal or vertical integration between the merging parties' activities and therefore no change in the level of concentration in this market as a result of the transaction.

¹ It is intended that Helios Sub-Saharan African Fund I Ltd and Helios Investors II (Mauritius) Ltd will each hold 50% of the entire issued share capital of Safari Holdco (Mauritius).

² CVCI Mauritius is a subsidiary of Citigroup Venture Capital International Africa Fund L.P.

[8] In light of the above we find that the transaction will not substantially prevent or lessen competition in the relevant market.

CONCLUSION

[9] There are no significant public interest issues and we accordingly approve the transaction.

Norman Manoim

18/02/2010
DATE

Y Carrim and A Wessels concurring.

Tribunal Researcher:	Rietsie Badenhorst
For the merging parties:	Cliffe Dekker Hofmeyer Inc
For the Commission:	Lorraine Madihlaba