



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM170Nov15

In the matter between:

OMPE GP IV Proprietary Limited

Primary Acquiring Firm

and

Middle Road Packers Proprietary Limited

Primary Target Firm

| | |
|-------------------|------------------------------------|
| Panel | : Yasmin Carrim (Presiding Member) |
| | : Imraan Valodia (Tribunal Member) |
| | : Fiona Tregenna (Tribunal Member) |
| Heard on | : 2 December 2015 |
| Order Issued on | : 2 December 2015 |
| Reasons issued on | : 7 December 2015 |

Reasons for Decision

Approval

- [1] On 2 December 2015, the Competition Tribunal ("Tribunal") unconditionally approved the merger between OMPE GP IV Proprietary Limited ("OMPE") and Middle Road Packers Proprietary Limited ("Middle Road").
- [2] The reasons for approving the proposed transaction follow.

Parties to transaction

Primary acquiring firm

- [3] The primary acquiring firm OMPE is a private equity company which is acting in its capacity as the ultimate general parent of OMPE Fund IV Partnership ("OMPE Fund IV"). OMPE is advised by Old Mutual Private Equity which is a division of Old Mutual Alternative Investment Holdings Proprietary Limited. These companies are ultimately controlled by Old Mutual Group Holdings (South Africa) Limited ("OMSA"). OMSA is a wholly owned subsidiary of Old Mutual (Netherlands) B.V which is in turn a wholly owned subsidiary of OM Group (UK) Limited ("OMUK"). OMUK is a wholly owned subsidiary of Old Mutual plc. All the above funds/firms as well as the firms controlled by them will be cumulatively referred to as the "Acquiring Group."
- [4] The Acquiring Group is an international long-term savings, insurance, banking and investment group which offers a range of financial products and services. OMPE Fund IV is a private equity fund that comprises various limited partners while its parent OMPE is a private equity manager.

Primary target firm

- [5] The primary target firm, Middle Road is controlled by Interfruit Holdings Ltd. Middle Road holds 52.5% of the issued share capital of In2Food Group (Pty) Ltd ("In2Food") which in turn controls several subsidiaries. Cumulatively, Middle Road, In2Food and its subsidiaries will be referred to as the "Target Group".
- [6] Middle Road is an investment holding company which does not trade but provides management services to its subsidiaries. In2Food is a food processing company involved in the processing of a number of pre- packaged foods, juices and confectionary items including but not limited to the following; pizza, meal solutions and snacking items.

Proposed transaction and rationale

- [7] The proposed transaction involves OMPE acquiring 31% of the issued share capital of Middle Road. As a result of the proposed transaction OMPE will directly control Middle Road and indirectly control In2Food.

- [8] The Acquiring Group submitted that the proposed transaction was based on previous experience in the sector which led to the conclusion that the acquisition of shares would present an opportunity for it to achieve good returns. Middle Road submitted that the proposed transaction would enable it to consolidate its position in the market.

Impact on competition

- [9] According to the Competition Commission's ("the Commission") findings the proposed transaction does not result in a substantial lessening of competition in any market because the activities of the merging parties do not overlap as no entity in the Acquiring Group provides products or services that could be reasonably substitutable to products or services provided by the Target Group.¹
- [10] We concur with the Commission's competition assessment that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market as there is no overlap present.

Public interest

- [11] The merging parties confirmed that the proposed transaction will not result in an adverse impact on employment and raises no other public interest concerns.²

Conclusion

- [12] 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.



Ms Yasmin Carrim

07 December 2015

DATE

Prof Imraan Valodia and Prof Fiona Tregenna concurring

¹ *Iner alia* merger record page 449

² *Inter alia* merger record page 414.

Tribunal Researcher: Aneesa Ravat
For the merging parties: Nkonzo Hlatshwayo of Webber Wentzel
For the Commission: Rakgole Mokolo, Seema Nunkoo and Xolela Nokele