



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: LM072Jun17

In the matter between:

Main Street 1514 (Pty) Ltd

Primary Acquiring Firm

And

Mancosa (Pty) Ltd

Primary Target Firms

Regent Business School (Pty) Ltd

Panel	:	AW Wessels (Presiding Member)
	:	Medi Mokuena (Tribunal Member)
	:	Yasmin Carrim (Tribunal Member)
Heard on	:	19 July 2017
Order Issued on	:	19 July 2017
Reasons Issued on	:	10 August 2017

Reasons for Decision

Approval

[1] On 19 July 2017, the Competition Tribunal ("Tribunal") unconditionally approved the transaction involving Main Street 1514 Proprietary Limited ("Main Street"), Mancosa Proprietary Limited ("Mancosa") and Regent Business School Proprietary Limited ("Regent").

[2] The reasons for approving the proposed transaction follow.

Parties to the proposed transaction

Primary acquiring firm

[3] The primary acquiring firm is Main Street, a newly established entity for purposes of the proposed transaction. Main Street currently conducts no business activities in South Africa.

[4] Main Street is a wholly-owned subsidiary of Actis Investment Holdings No. 190 Limited ("EMK SA (Mauritius)"), which in turn is wholly-owned by Emerging Markets Knowledge Holdings Limited ("EMKH"). EMKH is a company incorporated in accordance with the laws of Mauritius. EMKH is controlled by Actis Africa 4 LP ("Actis Africa 4") and Actis Global 4 LP ("Actis Global 4") which are private equity investment funds. Actis Africa 4 and Actis Global 4 are managed by Actis GP LLP. Actis GP LLP is not controlled by any single firm. The abovementioned firms will hereinafter collectively be referred to as "the Actis Group".

[5] The Actis Group is a global private equity investor which invests in emerging markets. Of relevance to the competition assessment of the current transaction is that EMKH is a tertiary education buy-and-build platform, serving students in Tunisia and Morocco. The Actis Group however has no tertiary educational activities in South Africa.

Primary target firms

[6] The primary target firms are Mancosa and Regent. Both these companies are incorporated in accordance with the laws of the Republic of South Africa. Mangro Holdings Proprietary Limited ("Mangro") is currently the sole shareholder of Mancosa and Regent. Mancosa and Regent do not control any firm in South Africa.

[7] Mancosa and Regent's business activities involve the provision of tertiary education and long distance programmes for undergraduate and postgraduate students in *inter alia* South Africa.

Proposed transaction and rationale

[8] Upon completion of the proposed transaction, Main Street will own the entire shareholding of Mancosa and Regent and thus have sole control over Mancosa and Regent.

[9] The Actis Group submitted that the proposed transaction will enable it to establish a portfolio of education providers across Africa.

[10] Mangro wishes to realise a return on its investment.

Impact on competition

[11] The Competition Commission ("Commission") identified a broad horizontal overlap between the activities of the merging parties in the provision of tertiary education services. However, the Actis Group is not active in the provision of tertiary education services in South Africa and thus there is no geographical overlap between the activities of the merging parties in South Africa. The Commission therefore concluded that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market in South Africa. We concur with the Commission's finding.

Public interest

[12] The merging parties confirmed that the proposed transaction will not have any negative effect on employment in South Africa.¹

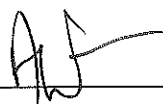
[13] The proposed transaction further raises no other public interest concerns.

Conclusion

[14] In light of the above, we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market. In

¹ Merger Record, pages 5 and 53. Also see Transcript, pages 5 and 6.

addition, no public interest issues arise from the proposed transaction.
Accordingly, we approve the proposed transaction unconditionally.



Mr AW Wessels

10 August 2017

DATE

Ms Yasmin Carrim and Ms Medi Mokuena concurring

Tribunal Case Manager : Caroline Sserufusa
For the merging parties : Robert Wilson of Webber Wentzel
For the Commission : Nonhlanhla Msiza