



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 29/LM/Jun10

In the matter between:

Paladin Capital Limited

Acquiring Firm

And

Curro Holdings (Pty) Ltd

Target Firm

Panel : Norman Manoim (Presiding Member),
Yasmin Carrim (Tribunal Member), and
Andreas Wessels (Tribunal Member)
Heard on : 07 July 2010
Order issued on : 07 July 2010
Reasons issued on : 28 July 2010

Reasons for Decision

Approval

- 1] On 7 July 2010 the Competition Tribunal ("Tribunal") approved the acquisition between the Paladin Capital Limited and Curro Holdings (Pty) Ltd. The reasons for approval follow below.

The parties to the transaction

- 2] The primary acquiring firm is Paladin Capital Limited ("Paladin"), an investment, private equity firm which is controlled by PSG Financial Services Ltd which in turn is controlled by PSG Group, a holding company which holds a number of strategic and

controlling stakes in a wide range of private and public financial services companies. PSG Financial Services is the primary investment company for the PSG Group and is active in various financial services and products.

- 3] Paladin controls Paladin Capital Financial Services (Pty) Ltd which holds 50% of the issued share capital in the primary target firm, Curro Holdings (Pty) Ltd ("Curro"). Curro is active in the provision of services in relation to education and the operation and development of schools. The rest of the shareholding in Curro is held by various Trusts.¹

The proposed transaction

- 4] In terms of the proposed transaction Paladin Capital Services will acquire the additional 26% of the issued share capital in Curro, thereby increasing its shareholding to 76% and gaining sole control over Curro.²

The rationale

- 5] Paladin's interest in the proposed deal is purely financial. It seeks to increase its equity exposure in Curro only for increased returns. The shareholders of Curro are willing sellers who view the proposed transaction as a way to realise portions of their investments, while ensuring that the financial needs of Curro are taken care of going forward.

Competition analysis

- 6] There is no horizontal overlap in the activities of the merging parties. Other than the fact that Paladin is a shareholder of Curro, there is no other business relationship which exists between the parties.

¹ The rest of the shareholders in Curro are the following Trusts: Le Roux Familie Turst (21%), Chris Van Der Merwe Familie Trust (7.25%), Thys & Jeanee Franken Familie Trust 6.65%) Realtu Trust (4.75%), N/A Familie Trust (4%), Schalk Burger Familie Trust (2.5%), Greyling Familie Trust (2.25%), and Eddie & Estie Conradie Familie Trust (1.5%). Curro in turn controls Curro Langbaan (Pty) Ltd.

² As such none of the remaining shareholders will be able to veto any decisions as all minority shareholder protections simply require approval by shareholders holding 75% or more of the shares in Curro.

CONCLUSION

[7] The proposed deal does not raise any competition concerns as it does not change the competition landscape in the relevant markets. The deal is essentially a move from joint to sole control, and as such is unlikely to substantially prevent or lessen competition. In addition, no significant public interest concerns are raised.

Yasmin Carrim

28 July 2010
Date

Norman Manoim and Andreas Wessels concurring.

Tribunal Researcher: Londiwe Senona
For the merging parties: Cliffe Dekker Hofmeyr Attorneys
For the Commission: Mogalane Matsimela