



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 019273

In the matter between:

**SUPER GROUP DEALERSHIPS a
DIVISION OF SUPER GROUP TRADING (PTY) LTD**

Primary Acquiring Firm

And

**RSF MOTORS HANDELAARS (VERKOPE)
(PTY) LTD in relation to the Business of
Land Rover and Volvo in Nelspruit
operated by RSF Motors**

Primary Target Firm

Panel	: Norman Manoim (Presiding Member)
	: Yasmin Carrim (Tribunal Member)
	: Prof Imraan Valodia (Tribunal Member)
Heard on	: 20 August 2014
Order Issued on	: 20 August 2014
Reasons Issued on	: 28 August 2014

Reasons for Decision

Approval

- [1] On 20 August 2014, the Competition Tribunal unconditionally approved the merger between Super Group Dealerships a division of Super Group Trading (Pty) Ltd

("Super Group Trading") and RSF Motors Handelaars (Verkope) (Pty) Ltd ("RSF Motors") in relation to the business of Land Rover and Volvo in Nelspruit ("Land Rover and Volvo Nelspruit"), which is operated by RSF Motors.

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

Parties to transaction

Primary acquiring firm

[3] The primary acquiring firm is Super Group Trading. Super Group Trading is controlled by Super Group Holdings (Pty) Ltd ("Super Group Holdings") which is ultimately controlled by Super Group Limited ("Super Group"). Super Group is listed on the Johannesburg Stock Exchange Limited ("JSE") and is not controlled by any single firm. Super Group's top shareholders are:

- Alan Gray (Pty) Ltd;
- Public Investment Corporation Limited;
- PSG Online Securities Broking;
- Investec Asset Management Limited; and
- Visio Capital Management (Pty) Ltd.

Super Group also controls a number of firms including:

- Bluefin Investments Limited;
- Emerald Insurance Company Limited; and
- Fleet Africa (Pty) Ltd.

Super Group Trading controls the following firms:

- Super Group Africa (Pty) Ltd;
- Chataprop Holdings 98 (Pty) Ltd;
- Lexshell 280 Investments (Pty) Ltd;
- Micor Freight (Pty) Ltd; and
- Rentrak (Pty) Ltd.

Primary target firm

[4] The primary target firm is the business of Land Rover and Volvo in Nelspruit operated by RSF Motors.

Proposed Transaction and Rationale

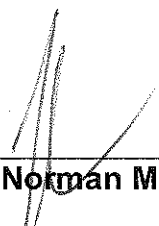
[5] In terms of the Sale of Assets Agreement, Super Group Trading shall acquire Land Rover and Volvo Nelspruit from RSF Motors. Post-merger, Super Group Trading shall have sole control over Land Rover and Volvo Nelspruit.

Relevant Market and Impact on Competition

- [6] Super Group owns dealerships that sell and service the following new motor vehicles: Toyota; Mercedes Benz; Chrysler Jeep; Dodge; General Motors; Isuzu; Honda; GWM; Nissan; Land Rover; Jaguar; Lexus; Volvo; Suzuki; Renault; Ford; and Mazda. Super Group also sells pre-owned and demonstration motor vehicles, parts and accessories and provides intermediary finance and insurance services. Super Group dealerships are located in the Gauteng and North West Provinces.
- [7] Land Rover and Volvo Nelspruit sell new, pre-owned and demonstration Land Rover, Jaguar and Volvo motor vehicles. It also services Land Rover, Jaguar and Volvo motor vehicles. It further sells parts and accessories for these specific motor vehicles and provides intermediary finance and insurance services. Land Rover and Volvo Nelspruit operates in the Mpumalanga Province.
- [8] An assessment of the merging parties' activities found that there is a horizontal overlap in the activities of the merging parties with respect to the sale of new and used passenger vehicles. We however, find that that there is no geographic overlap as Super Group has operations in Gauteng and the North West Province, whereas the Land Rover and Volvo Nelspruit dealership is located in Nelspruit, Mpumalanga.¹

Conclusion

- [9] In light of the above we conclude that the proposed transaction is unlikely to substantially prevent or lessen competition in the market for new and used passenger vehicles. In addition, no public interest issues arise from the proposed transactions. Accordingly we approve the proposed transaction unconditionally.



Mr Norman Manoim

28 August 2014
DATE

Ms Yasmin Carrim and Prof Imraan Valodia concurring

Tribunal Researcher: Derrick Bowles

For the merging parties: Sakia Rohi

For the Commission: Glementine Mahlangu and Xolela Nokele

¹ In the hearing we were advised that the nearest Super Group motor dealership to Nelspruit was a Ford and Mazda dealership in Springs. Super Group has three other Volvo and four other Land Rover dealerships. The nearest Volvo dealership is based in Centurion, the nearest Land Rover dealership is also based on the East Rand. (See transcript pages 3-4)