



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No. 110/LM/Dec12

016097

In the matter between:

Vukile Property Fund Limited

Acquiring Firm

And

**Redefine Retail (Pty) Ltd in respect of an
undivided 50% share in the property letting
enterprise known as the East Rand Mall**

Target Firm

Panel	:	Andreas Wessels (Presiding Member) Anton Roskam (Tribunal Member) Mondo Mazwai (Tribunal Member)
Heard on	:	19 February 2013
Order issued on	:	19 February 2013
Reasons issued on	:	08 March 2013

Reasons for Decision

Approval

[1] On 19 February 2013 the Competition Tribunal ("Tribunal") approved the merger involving Vukile Property Fund Limited ("Vukile") and Redefine Retail (Pty) Ltd ("Redefine Retail") in respect of an undivided 50% share in the property letting enterprise known as the East Rand Mall.

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

Parties to transaction

[3] The primary acquiring firm is Vukile, a company incorporated in terms of the laws of the Republic of South Africa. Vukile is a property fund which is listed on the JSE Limited and the Namibian Stock Exchange. The Fund is held by numerous shareholders. Vukile owns and operates a diversified property portfolio which includes office, industrial and retail properties, with a special emphasis on the retail sector.

[4] The primary target firm is Redefine Retail in respect of an undivided 50% share in the property letting enterprise known as the East Rand Mall. The East Rand Mall is a shopping centre categorised as a major regional centre situated in the Boksburg and surrounds node.

Proposed transaction and rationale

[5] In terms of the proposed transaction Vukile will acquire an undivided 50% share in the property letting enterprise referred to as the East Rand Mall from Redefine Retail¹. Pursuant to the transaction, Vukile and Redefine Retail will have joint control over the East Rand Mall.

[6] The proposed transaction is in line with Vukile's objective of building a quality portfolio of properties and will increase its exposure in the Boksburg and surrounds node.

Relevant market and impact on competition

[7] The Commission concluded that there is a horizontal overlap between the activities of the merging parties since both parties are involved in the provision of rentable retail space in regional shopping centres. The Commission defined the relevant geographic market as a 10 to 15 km radius from the target property. Vukile owns *inter alia* the Meadowdale Mall which is located within a 10 km radius from the East Rand Mall.

[8] There is however no need for us in this case to take a definitive view on the exact parameters of the relevant geographic market. If a 10 to 15 km radius

¹ See Tribunal case no: 111/LM/Dec12. This transaction was approved by the Tribunal on 19 February 2013.

from the target property is considered, then the merged entity's market share will be less than 10%. If a broader geographic market is considered, then the merged entity's market position remains small.

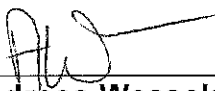
[9] We conclude that that the proposed transaction is unlikely to substantially prevent or lessen competition in any relevant market.

Public interest

[10] The merging parties submitted that the proposed transaction will not result in any adverse effect on employment.² Furthermore, the proposed merger raises no other public interest concerns.

CONCLUSION

[11] We approve the merger unconditionally.



Andreas Wessels

08 March 2013
DATE

Anton Roskam and Mondo Mazwai concurring

Tribunal researcher:	Caroline Sserufusa
For the merging parties:	Vani Chetty of Vani Chetty Competition Law
For the Commission:	Zanele Hadebe

² Merger record pages 14 and 72.