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| to | Vani Chetty Vani Chetty Competition Law (Pty) Ltd | fax | 011 880 5773 |
| | Legal Services Competition Commission | | 44283 |
| ref | 56/LM/Jul11 | date | 07 October 2011 |
| from | Tebogo Mputle | pages | 4 (including this page) |
| re | Reasons | | |

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Attached please find the Tribunal's reasons for the decision in the above matter.

Regards

Tebogo Mputle

CC: Bheki Masilela - 44582



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No:56/LM/JUL11

In the matter between:

REDEFINE PROPERTIES LTD

Acquiring Firm

And

**FIN PROPERTIES 107 (PTY) LTD
IN RESPECT OF A 50% UNDIVIDED SHARE
IN THE PROPERTY LETTING ENTERPRISE
KNOWN AS "DAWN DISTRIBUTION CENTRE"**

Target Firm

| | | |
|-------------------|---|---|
| Panel | : | Norman Manoim (Presiding Member) Andiswa Ndoni (Tribunal Member) Medi Mokuena (Tribunal Member) |
| Heard on | : | 28 September 2011 |
| Order issued on | : | 28 September 2011 |
| Reasons issued on | : | 06 October 2011 |

Reasons for Decision

Approval

[1] On 28 September 2011, the Competition Tribunal ("Tribunal") approved the large merger between Redefine Properties Ltd and Fin Properties 107 (Pty) Ltd, in respect of a 50% undivided share in the property letting enterprise known as "Dawn Distribution Centre". We explain below our reasons for this conclusion.

The Parties to the transaction

[2] The primary acquiring firm is Redefine Properties Ltd ("Redefine"), a public company incorporated in accordance with the laws of the Republic of South Africa. Redefine is not controlled by any firm however; it controls a number of subsidiaries.

[3] The primary target firm is Fin Properties 107 (Pty) Ltd ("Finprop"), in respect of a 50% undivided share in the property letting enterprise known as "Dawn Distribution Centre".

[4] In terms of the transaction, Redefine will acquire from Finprop a 50% undivided share in the property letting enterprise known as "Dawn Distribution Centre" ("the centre"), a warehouse categorised as rentable light industrial space and situated in the Greater Germiston Node. Post implementation of the transaction, Redefine will acquire joint control over the centre. The centre only has one tenant whose lease has another 12 years to run and whose rental terms are set out in the lease.

The Rationale

[5] The merging parties submitted that as Redefine is in the business of acquiring and disposing properties, the centre is an ideal opportunity for it.

The parties' activities

[6] Redefine is a property loan stock company with companies in commercial retail property, office space and industrial space in South Africa.

[7] Finprop is a property investment company and its business activities include property holding, investments and the management thereof. It invests in commercial property in the rentable retail space, rentable office space and rentable industrial space in various regions in South Africa.

The relevant market and the impact on competition

[8] The Commission found that there is an overlap in the market for rentable light industrial space in the Greater Germiston node. However the Commission found that with a low post-merger market share of 6.73% in Germiston, the market share is too low to raise any competition concerns and further that there are other

players in the property sector such as Growthpoint, Emira, and Capital. The Commission then concluded that the merger is unlikely to result in substantial prevention or lessening of competition in the relevant market.

CONCLUSION

[9] The parties submitted that the proposed transaction will not result in employment losses. The proposed transaction does not raise any other public interest issues.

[10] We agree with the Commission's conclusion above and find that the merger is unlikely to lead to any substantial prevention or lessening of competition in the relevant market, in particular, as the target firm has only one tenant which is protected by virtue of an existing lease for the next 12 years. Accordingly, we approve the above merger unconditionally.



NORMAN MANOIM

06 October 2011
DATE

Medi Mokuena and Andiswa Ndoni

Tribunal Researcher: Tebogo Hlafane

For the merging parties: Vani Chetty Competition Law

For the Commission: Bheki Masilela

* * * Communication Result Report (7.Oct. 2011 8:08) * * *

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Date/Time: 7.Oct. 2011 8:02

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