



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No.: 017947

In the matter between

Attacq Limited

Primary Acquiring Firm

and

Brooklyn Bridge Office Park (Proprietary) Limited

Primary Target Firm

Panel : Yasmin Carrim (Presiding Member)
Takalani Madima (Tribunal Member)
Andiswa Ndoni (Tribunal Member)
Heard on : 11 December 2013
Order issued on : 11 December 2013
Reasons issued on : 07 January 2013

Reasons for Decision

Approval

[1] On 11 December 2013 the Competition Tribunal ("Tribunal") unconditionally approved the merger between Attacq Limited ("Attacq") and Brooklyn Bridge Office Park (Proprietary) Limited ("Brooklyn Bridge").

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

Parties to transaction

[3] The primary acquiring firm is Attacq, which is a public unlisted property investment firm active in the development and management of various assets and properties in the commercial, retail industrial and residential sectors throughout South Africa and internationally. Attacq is also involved in the development of upmarket offices, regional shopping centres and industrial parks. Currently Attacq's main focus is the investment, development and management of Grade A and P rentable offices parks or larger stand-alone office buildings in established premium nodes in South Africa's metropolitan areas.

[4] The primary target firm is Brooklyn Bridge, a company active in the property investment market. Brooklyn Bridge is controlled by Dolsid Investments (Pty) Ltd ("Dolsid") with a 75% shareholding. Brooklyn Bridge's functions include the investment, management and rental of Grade A office properties. Its current function is the management and rental of the Brooklyn Bridge Properties, which constitutes Grade A office property and a small retail component located in Brooklyn Pretoria.

Proposed transaction

[5] The proposed transaction involves the acquisition by Attacq of 75% shareholding of Brooklyn Bridge, in addition to the 25% shareholding Attacq already has. Therefore post merger Attacq will become the sole owner and controller of Brooklyn Bridge.

Competition assessment

[6] The Commission analysed the proposed transaction in the market for the provision of rentable Grade A office property and rentable lifestyle centres within a 6km radius of Brooklyn Bridge. The Commission submits that in relation to Grade A office property, based on the nodes as refined by South African Property Owners' Association ("SAPOA"), there is no geographic overlap arising since the

target firm and the Acquiring firm's properties are located in different nodes, namely Lynnwood and Brooklyn respectively.¹

[7] Based on this assessment, the Commission came to a conclusion that in relation to Grade A office property the proposed transaction will not result in any negative competitive effects as there are other competitors such as Redefine Properties, Emira Property Fund and Growth Properties inter alia, which will continue to constrain the merging parties post merger.²

[8] In relation to rentable lifestyle centres, the Commission came to the conclusion that again the proposed transaction will not result in any negative effects on competition, as there are various lifestyle centres within the Brooklyn, Lynnwood and surrounding areas within a 6km radius of Brooklyn Bridge.³ These lifestyle centres include Cherry Lane Shopping Centre, Groenkloof Plaza, Greenlyn Village Centre and Menlyn Piazza, amongst others.⁴

Market share

[9] In relation to rentable Grade A office property, the merged entity will have a market share of less than 16%, with a market share accretion of less than 5%. In addition to this the Commission submits that there is an average vacancy rate in the relevant areas of less than 10%.

Public interest

[10] The proposed transaction will have no adverse effect on employment and the proposed transaction raises no other public interest concerns.⁵

¹ See page 2 of Transcript of hearing.

² See page 15 of Commission's Report.

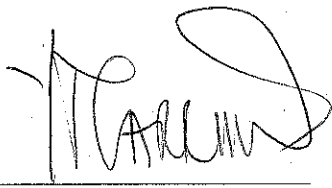
³ See page 3 of Transcript of hearing.

⁴ See Table 5 at page 19-20 of Commission's Report.

⁵ See page 102 of Merger record.

CONCLUSION

[11] We are satisfied with the findings of the Commission and we thus approve the merger unconditionally.



Ms. Yasmin Carrim

07 January 2014

DATE

Dr Takalani Madima Ms. Andiswa Ndoni concurring

Tribunal Researcher: Caroline Sserufusa

For the merging parties: HB Senekal for Edward Nathans Sonnenbergs

For the Commission: Lana Norton