



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 28/LM/Mar12

In the matter between:

The Buffshelf 18 Trust

Acquiring Firm

And

**The 921 Properties situated in
Burgersfort and Rustenburg (RSA)
that are owned by subsidiaries of Impala
Platinum Holdings Limited**

Target Firms

Panel : Yasmin Carrim (Presiding Member)
Andiswa Ndoni(Tribunal Member)
Taki Madima(Tribunal Member)
Heard on : 28/03/2012
Order issued on : 28/03/2012
Reasons issued on : 02/04/2012

Reasons for Decision

Approval

- 1] On 28 March 2012 the Competition Tribunal (“Tribunal”) unconditionally approved the property merger between the Buffshelf 18 Trust and the 921 properties situated in Burgersfort and Rustenburg (RSA) that are owned by the subsidiaries of Impala Platinum Holdings Limited. The reasons for approval follow below.

The transaction

- 2] This is a horizontal property transaction in which the acquiring entity is a trust which is jointly controlled by 3 private individuals (‘The Trustees’), which through a special purpose vehicle entity, Friedshelf 1169 seeks to acquire a total of 921 properties based in Burgersfort and Rustenburg (RSA).¹

¹ This transaction was initially notified and filed as an intermediate merger, but the Commission was later of the view that considering Implats’ turnover, it was a large merger. Though this was contested by the merging parties at first, they subsequently paid the large merger filing fee.

- 3] The target properties are owned by various subsidiaries of Impala Platinum Holdings Limited ('Implats') and were built exclusively to provide housing to Implats' employees. In terms of the transaction Implats will also subscribe for a 25% shareholding in Friedshelf 1169, thereby acquiring joint control of Friedshelf 1169.

Rationale for the transaction

- 4] The Trustees consider the transaction to be a viable investment opportunity in a business in which they have expertise. They also intend to lease back the property to Implats for the use of their employees. For Implats the rationale is to obtain cash through the sale of the properties which it considers non-core assets, so that it can use the cash for other business projects initiatives.

Competition Analysis

- 5] There is a horizontal overlap between the activities of the merging parties in that they both provide residential property to miners in the Rustenburg and Burgersfort areas.
- 6] Buffshelf owns residential properties which are leased back to Implats for the use of their employees. Implats has also built its own properties for the purpose of accommodating its employees. However its core business is in mining, refining and marketing of platinum group metals.
- 7] The Commission submitted that the properties being acquired will not form part of any contestable market as the properties are managed by Implats and leased exclusively to Implats' mineworkers. According to the merging parties, the properties being acquired will not be open for leasing to the general market and the lease period for these properties is between 15-25 years or longer.

CONCLUSION

- 8] Having regard to the facts stated above, the proposed merger is unlikely to lead to a substantial prevention or lessening of competition in any relevant market as the deal does not change the competitive landscape of the property market. Furthermore, no public interest concerns arise. Consequently the proposed transaction is approved unconditionally.

02/04/2012

DATE

Y Carrim

A Ndoni and T Madima concurring

Tribunal Researcher: Londiwe Senona

For the merging parties: Edward Nathan Sonnenbergs

For the Commission: Bheki Masilela