

COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 63/LM/Jun07

In the matter between:

Acucap Properties Ltd

Acquiring Firm

And

Atlas Properties Ltd

Target Firm

Panel : D Lewis (Presiding Member), N Manoim (Tribunal Member) and M Holden (Tribunal Member)
Heard on : 27 July 2007
Order issued on : 27 July 2007
Reasons issued on : 20 September 2007

Reasons for Decision

Approval

1]On 22 August 2007, the Tribunal approved the merger between Acucap Properties Ltd and Atlas Properties Ltd. The reasons follow below.

The Transaction

2]Acucap Properties Ltd ("Acucap") is increasing its shareholding in Atlas Properties Ltd ("Atlas") from 34.99% to 100%.

3]Acucap is a property loan stock company listed on the JSE. Its largest shareholders are Resilient Property Income Fund Ltd with 7.04%, Nedbank Ltd with 5.44% and Thesele Group (Pty) Ltd with 8.26%.

4]Atlas is a property investment holding company listed on the JSE. Its largest shareholders are Acucap with 34.99%, Blend Capital (Pty) Ltd with 14.05%

and Stanlib with 9.6%.

Rationale for the transaction

5]The transaction will enable Acucap Properties to diversify its portfolio geographically into Cape Town, as it is primarily represented in Gauteng. The transaction will also minimise the merged entity's exposure to risk.

The relevant market and the impact on competition

6]Both parties own property portfolios comprising industrial, office and retail properties. However, the light industrial and retail properties owned by the merging parties are not situated in the same geographical markets.

7]Within the office property market both Acucap and Atlas own grade A office properties in the Illovo node. Post the transaction the merged entity's market share will be 9.3%. However, the merging parties compete with players such as Growthpoint, Gensec, Old Mutual Properties Group, Tresso, Emira and Zenprop in this market.

8]In light of the above we find that the transaction would not substantially prevent or lessen competition the relevant markets.

CONCLUSION

9]There are no significant public interest issues and we accordingly approve the transaction.

N Manoim

20 September 2007

Date

D Lewis and M Holden concurring

Tribunal Researcher: R Badenhorst

For the merging parties: Vani Chetty Competition Law

For the Commission: L Madihlaba and Makgale Mohlala