



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 76/LM/Nov10

In the matter between:

Fountainhead Property Trust
And

Acquiring Firm

**All Top Properties (Pty) Ltd &
Breeze Court Investments 33 (Pty) Ltd**
In respect of property letting enterprise known as Lefika

Target Firm

Panel : Norman Manoim (Presiding Member),
Yasmin Carrim (Tribunal Member)
and Medi Mokuena (Tribunal Member)
Heard on : 16/02/2011
Order issued on : 16/02/2011
Reasons issued on : 22/02/2011

Reasons for Decision

Approval

[1] On 16 February 2011 the Tribunal unconditionally approved the merger between Fountainhead Property Trust ("Fountainhead") and All Top Properties (Pty) Ltd ("All Top") and Breeze Court Investments 33 (Pty) Ltd ("Breeze Court"). The reasons follow below.

The Transaction

[2] In terms of the proposed transaction, Fountainhead which is a publicly listed property trust managed by Fountainhead Property Management Limited and

which is jointly controlled by Standard Bank Properties and Liberty Group, is acquiring the property letting enterprise known as Lefika House which is co-owned by All Top (60%) and Breeze Court (40%).

[3] All Top and Breeze Court are both property owning companies which invest in and develop immovable properties for the purpose of earning rental income. They co-own the Lefika House property which is an A-grade office space located in Brooklyn/Nieuw Muckleneuk, Pretoria. Lefika House is currently occupied by the Auditor General in terms of a lease agreement which expires in 2019.

[4] Post merger, Fountainhead will have sole control over Lefika House.

The Rationale

[5] For Fountainhead the proposed transaction is in line with its growth strategy and both All Top and Breeze Court agreed to take the offer from Fountainhead in order to realise their investment in respect to the Lefika property.

Competition Analysis

Horizontal and Vertical Analysis

[6] There is no horizontal overlap or vertical relationship between the parties as Fountainhead currently does not have A-grade office space in Brooklyn/Nieuw Muckleneuk where the target property is based.

CONCLUSION

[7] Consequently the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition. There are no public interest concerns. Accordingly the proposed transaction is approved unconditionally.

N Manoim

22/02/2011
Date

Y Carrim and M Mokuena concurring

Tribunal Researcher: Londiwe Senona
For the merging parties: Vani Chetty Competition law
For the Commission: Lerato Monareng