



COMPETITION TRIBUNAL OF SOUTH AFRICA

Case No: 111/LM/Dec12

In the matter between:

Redefine Retail (Pty) Ltd

Primary Acquiring Firm

And

**Sanlam Life Insurance Limited in
respect of the property letting enterprise
known as the East Rand Mall**

Primary Target Firm

Panel	:	Andreas Wessels (Presiding Member) Mondo Mazwai (Tribunal Member) Anton Roskam (Tribunal Member)
Heard on	:	19 February 2013
Order issued on	:	19 February 2013
Reasons issued on	:	05 March 2013

Reasons for Decision

Approval

[1] On 19 February 2013 the Competition Tribunal ("Tribunal") unconditionally approved the merger between Redefine Retail (Pty) Ltd and Sanlam Life Insurance Limited in respect of the property letting enterprise known as the East Rand Mall.

[2] The reasons for approval follow below.

Parties and their activities

[3] The primary acquiring firm is Redefine Retail (Pty) Ltd ("Redefine Retail"), a company incorporated in terms of the laws of the Republic of South Africa. Redefine Retail is a newly formed company which is wholly owned and controlled by Redefine Properties Limited (Redefine Properties"). Redefine Properties controls a number of firms.¹ Redefine Retail does not directly or indirectly control any firm.

[4] Redefine Properties is a property loan stock company listed on the Johannesburg Stock Exchange Limited. Its property portfolio comprises a diversified range of properties consisting of office, retail and industrial space throughout South Africa. Redefine Properties also conducts its own internal asset management services including property management.

[5] The primary target firm is Sanlam Life Insurance Limited ("Sanlam") in respect of the property letting enterprise known as the East Rand Mall. Sanlam is a wholly-owned subsidiary of Sanlam Limited. East Rand Mall, currently wholly owned by Sanlam, is a shopping centre categorised as a major regional centre situated in the Boksburg and surrounds node.

Proposed transaction and rationale

[6] The proposed transaction involves the acquisition by Redefine Retail of the property letting enterprise referred to as the East Rand Mall from Sanlam. Redefine Retail, pursuant to the transaction, will have sole control over the East Rand Mall.

[7] Redefine Properties stated that the acquisition of the East Rand Mall is in keeping with Redefine Group's strategy of acquiring prime shopping centres. The transaction presents an opportunity to acquire a large, well managed, retail centre. The acquisition will strengthen Redefine

¹ For a list of these firms see merger record page 10.

Group's asset base with the addition of a prime retail property with a good tenant mix and a low average vacancy rate.

[8] Sanlam's disposal of the East Rand Mall is in line with its investment strategy of reducing its exposure to fixed property.

Relevant market and impact on competition

[9] The Commission concluded that there is a horizontal overlap between the activities of the merging parties since both parties are involved in the provision of rentable retail space in regional shopping centres. The Commission defined the relevant geographic market as a 10 to 15 km radius from the target property.

[10] There is however no need for us in this case to take a definitive view on the exact parameters of the relevant geographic market. If a 10 to 15 km radius from the target property is considered, then there is no overlap between the activities of the merging parties relating to rentable retail space in regional shopping centres. If a broader geographic market is considered, then there is a geographic overlap, but the merged entity's market share remains small.

Public interest

[11] The merging parties confirmed that there will be no adverse effect on employment arising from the proposed transaction.² No other public interest concerns arise from the proposed transaction.

CONCLUSION

[12] We approve the transaction unconditionally.



A Wessels

05 March 2013
DATE

M Mazwai and A Roskam concurring

² See merger record pages 14 and 100.

Tribunal researcher: Thabani Ngilande
For the merging parties: Vani Chetty Competition Law
For the Commission: Zanele Hadebe