

In the matter between:

Old Mutual Life Assurance Company (South Africa) Limited	Acquiring Firm
and	
XDV Investments (Pty) Ltd	Target firm

Panel : D Lewis (Presiding Member), Y Carrim (Tribunal Member), and
N Manoim (Tribunal Member)

Heard on : 19 November 2008

Order issued on : 19 November 2008

Reasons issued on : 2 December 2008

REASONS FOR DECISION

Introduction

1. On 19 November 2008 the Tribunal unconditionally approved the property merger between the above mentioned parties.

The Parties

2. The primary acquiring firm is Old Mutual Life Assurance Company (South Africa) (“OMLACSA”) which owns grade C and B rentable office space in Sandton. The primary target firm is XDV Investments (Pty) Ltd (“XDV”) which has rights to develop grade A rentable office space, retail space and a hotel in Sandton.

The Transaction and its Rationale

3. In terms of the proposed transaction, Old Mutual Life Assurance Company (OMLACSA) will acquire Erf 134 portion 2 of Erf 13 Sandton from XDV for the purpose of controlling it post merger.

4. Omlacsa considers the proposed transaction as an investment opportunity which will enable it to develop land into rentable office space, rentable retail space and possibly a hotel. For XDV, the proposed transaction will enable it to realize a good return on its investment.

Competition Evaluation

5. There is no potential horizontal overlap in the activities of the merging parties as Omlacsa owns office space for grade C and B and XDV only has rights to develop office space for grade A, retail space and a hotel in Sandton. To the extent that any overlap may exist on a worse case scenario analysis, it would be restricted to the geographic area as the office space ("C grade") owned by Omlacsa and the XDV property are both located in the Sandton and Environs node, Gauteng Province. However, this would not lead in aggravation of market share or concentration in the relevant market.

Conclusion

6. In light of the above, we find that the proposed merger will not result in any substantial lessening or prevention of competition in the relevant market.
7. There are no public interest issues.

D Lewis

Tribunal Member

Y Carrim and N Manoim concur in the judgment of D Lewis

Tribunal Researcher: L Xaba

For the merging parties : Vani Chetty Competition Law (Pty) Ltd

For the Commission : M. Matsimela

(Mergers and Acquisitions)

2 December 2008

Date