

[3] The primary target firm is Trevenna Precinct Office Development (“Trevenna”). Trevenna is wholly controlled by Trevenna Development Co (Pty) Ltd.²

Transaction

[4] In terms of the agreement entered into between the GEPF, represented by PIC, and Trevenna Development Co (Pty) Ltd, GEPF would acquire an undivided 51% interest in the letting enterprise known as Trevenna.

Rationale of transaction

[5] From the GEPF/PIC perspective the transaction forms part of the PIC’s property strategy to increase its investment in fixed properties.

[6] From the sellers perspective the rationale is two fold. Firstly the transaction provides an opportunity for the current shareholders to realise a portion of their investment. Secondly the PIC and Government have the ability to attract quality, tenants in the form of government departments or quasi government institutions and hence partnering with the GEPF/PIC allows the conclusion of attractive long term lease agreements.

Parties Activities

[7] The parties submit that the GEPF is a pension fund which owns various assets which are managed by the PIC. According to the parties the GEPF assets are invested in various assets classes including equities, fixed interests instrument, money market instruments and properties.³

[8] Trevenna is a grade A office property development located in Sunnyside, Pretoria.

Competition Analysis

[9] The transaction results in an overlap in the activities of the merging parties in respect of grade A office properties. According to the parties the acquiring firm’s grade A office property is in Hatfield and Trevenna and the target firm’s property is situated in Sunnyside. An examination of the market by the Commission revealed that post merger the merging parties will have 7.8% combined market share in the broader node including Pretoria CBD,

² The shareholders of Trevenna development Co are Atterbury Property (Pty)Ltd 27.5%; Village Trust 25%; Atterbury Property Development (Pty)Ltd 10%; Attacq Property Fund Ltd 10%; Atterbury Property Holdings (Pty)Ltd 10%; Sudden Impact Investments 4 (Pty)Ltd 8%; HC Bezuidenhout 6% and PJ Jordaan 3.5%.

³ The parties submit that the properties that form part of the asset portfolio include office property, retail property, industrial property and residential property located in most provinces nationwide.

Sunnyside, Arcadia and Hatfield/Hillcrest. We agree with the Commission that the post merger market share is relatively low to raise any competition concerns.

Conclusion

[10] Based on the above the transaction will not result in a substantial lessening or prevention of competition and is accordingly approved unconditionally. In addition there are no public interest issues.

Y Carrim

Tribunal Member

12 September 2008

Date

U Bhoola and N Manoim concurring

Tribunal Researcher : Jabulani Ngobeni

For the merging parties : Jowell Glyn Marais Inc

For the Commission : Linda Chung (Mergers and Acquisitions)