

**COMPETITION TRIBUNAL
REPUBLIC OF SOUTH AFRICA**

Case no.: 89/LM/Sep05

In the large merger between:

ApexHi Properties Ltd

and

Sasol Pension Fund

Reasons

Introduction

1. On 26 October 2005 the Competition Tribunal approved the merger between Apexhi Properties Ltd and Sasol Pension Fund. The reasons for this decision follow.

The transaction

2. The transaction involves the acquisition by ApexHi Properties Ltd ("ApexHi") of the Surrey Place Property ("Surrey Place") from Sasol Pension Fund ("Sasol").
3. Surrey place is a rentable office property situated in the Ferndale Node in Gauteng.
4. ApexHi is a company listed on the JSE Stock Exchange and is a variable rate property loan stock company. No single firm controls ApexHi and its largest stakeholders are:

?? Redefine Income Fund	10%
?? Stanlib	7%
?? Marriot Property Fund	13%

Rationale of the transaction

5. The acquisition presents ApexHi with an opportunity to grow its assets and earnings while Sasol wants to sell the asset because it wishes to improve the risk profile of its investments made on behalf of its Pension Fund beneficiaries.

Impact on competition

6. The relevant market is defined as Grade A Offices in the Ferndale Node. Within this market ApexHi has approximately 2.4% market share, which will increase to 7.2% post the transaction.
7. The Competition Commission is of the view that no competition concerns arise from the transaction since the combined market share of the merged entity in the Ferndale Node would be low. We agree with this conclusion.

Public interest

8. No public interest issues arise from the merger.

N Manoim

28 November 2005
Date

Concurring: D Lewis, Y Carrim

For the merging parties: Ms Varni Chetty of Edward Nathan

For the Commission: Geoffrey Mudzanani