

# COMPETITION TRIBUNAL OF SOUTH AFRICA

**Case NO: 27/LM/Mar08**

In the matter between

**Pangbourne Properties Ltd (Pty) Ltd**

Primary Acquiring firm

And

**iFour Properties Ltd**

Primary Target Firm

---

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

Heard on : 07 May 2008

Decided on : 07 May 2008

Reasons Issued : 21 May 2008

---

## Reasons for Decision

---

### Approval

[1] On 07 May 2008 the Competition Tribunal issued a Merger Clearance Certificate approving the merger between Pangbourne Properties Ltd and iFour Properties Ltd unconditionally. The reasons for the approval appear below.

### Parties

[2] The primary acquiring firm is Pangbourne Properties Ltd ("Pangbourne"), a listed company incorporated in terms of the company laws of the Republic of South Africa. Pangbourne is not controlled by a single shareholder.<sup>1</sup>

[3] The primary target firm is iFour Properties Ltd ("iFour"), a company incorporated under the company laws of the Republic of South Africa. iFour is indirectly controlled by

---

<sup>1</sup> Pangbourne's major shareholders are Stanlib Investment Solutions (16.09%), Standard Bank of South Africa (Pty) Ltd (5.38%), Panya Investments (Pty) Ltd (7.99%), Old Mutual Life Assurance Company (South Africa) Ltd (5.94%), Broker (Pty) Ltd (RMB) (6.41%) and Resilient Property Income Fund Ltd (9.54%).

Pangbourne (the primary acquiring firm in the instant transaction), with 35.3% shareholding.<sup>2</sup>

## **Transaction**

[4] In terms of the structure of the transaction, Pangbourne intends to increase its shareholding in iFour<sup>3</sup> from 41.45% to 100%. On completion of the transaction, iFour will be wholly controlled by Pangbourne.

### **Rationale**

[5] Pangbourne submits that as a result of the prevailing market conditions and investor preferences, it has decided to consolidate its property portfolio in order to create a larger portfolio, extract cost-savings and synergies and maximise funding efficiencies.

[6] The transaction represents an opportunity for iFour's unitholders to be part of a much larger property fund with more diversification, less risk exposure and a greater potential for future growth.

## **Parties' Activities**

[7] Pangbourne and iFour are property loan stock companies listed on the JSE Ltd under the "Financial-Real Estate" category. Both firms own a property portfolio which consists of industrial properties, office properties and retail properties throughout South Africa.

## **Competition Analysis**

[10] The transaction results in an overlap between the activities of the merging parties in respect of office, retail and industrial properties. However, this overlap will not lead to a substantial lessening or prevention of competition as the transaction represents a move by Pangbourne from joint control in iFour to sole control.

## **Public interest**

[12] The transaction does not give rise to any public interest issues and is approved without conditions.

---

<sup>2</sup> iFour's other major unitholders include Broker (Pty) Ltd RMB (17.72%), Securities Lending/BOE Online Share Trading (6.67%) and ABSA Commercial Property Finance (Pty) Ltd (5.48%).

<sup>3</sup> Pangbourne acquired joint control in iFour in 2003.

21 May 2008

---

**D Lewis**  
**Tribunal Member**

**Date**

**Concurring: Y Carrim and N Manoim**

**Tribunal Researcher : I Selaledi**

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

**For the Commission : Makgale Mohlala and Thaba Mavhase**