

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER 4
WEDNESDAY 2 MARCH 2005

MR V C GORE (ID) TO ASK THE MINISTER OF FINANCE:

- (1) (a) What are the reasons for the decision by the Public Investment Commission (PIC) to purchase and warehouse Telkom shares from a certain company (name furnished) and (b) what criteria were used in making such decision;
- (2) whether the beneficiaries of the PIC were consulted with regard to this deal; if not, why not; if so, (a) when and where did this consultation take place and (b) what was the outcome of such consultation;
- (3) whether any measures have been put in place to safeguard the investment of the beneficiaries in regard to this particular deal; if not, why not; if so, what measures? **N14E**

REPLY:

- (1) (a) The decision to buy the shares by the PIC were motivated by the inherent value which was in the shares because they were bought at a substantial discount to market price and this presented a very attractive value proposition for the PIC.

(b) The decision was purely motivated by financial gain for the PIC. The commercial rationale was overwhelming.
- (2) The PIC has a mandate from the GEPF to invest its funds and the mandate stipulates how these are to be invested. The PIC acted according to this mandate. PIC's internal approval processes were followed in that the Public Investment Commissioners (the Board) approved the decision.
- (3) Yes. The PIC has internal risk mitigation mechanisms, to safeguard its investments. The downside risk on the Telkom shares was hedged through other financial instruments.

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER 25

DATE OF PUBLICATION: 11 FEBRUARY 2005

MS M SMUTS (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether the Public Investment Commissioners bought the final 15,1% share in Telkom previously held by Thintana in order to ensure that the proposed acquisition of this share by a certain consortium (name furnished) complied with all relevant legal and financial requirements; if not, what is the position in this regard; if so,
- (2) whether the (a) structure, (b) shareholding and (c) broad-based empowerment potential were matters of concern; if not, why not; if so, (i) what was the proposed structure, (ii) who were the shareholders and (iii) what were the broad-based empowerment aspects of the said consortium?

N52E

REPLY:

- (1) The Public Investment Commissioners acquired the 15,1% share in Telkom previously held by Thintana to ensure that the proposed acquisition by the Elephant Consortium complied with certain internal and financial requirements of the PIC.
- (2) The structure, shareholding and broad based empowerment potential were not matters of concern to the PIC. This is because there appeared to be no reason to believe that the structure, shareholding and broad based empowerment potential were in conflict with the laws of the Republic of South Africa.

NATIONAL ASSEMBLY
QUESTION FOR ORAL REPLY
QUESTION NUMBER 79

1 JUNE 2005

DR S M VAN DYK (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether the pension moneys of public servants are going to be utilised for infrastructure development in Africa, as recently announced by the President at the launch of the Public Investment Corporation; if so, what type of investments are being envisaged;
- (2) whether the possibility exists that the pension moneys could be lost on investments in Africa; if not, what is the position in this regard; if so, what are the relevant details;
- (3) whether there are guarantees that would protect investments against losses and also ensure that the same or even higher returns are earned on investments in other African countries as it would in South Africa; if so, what guarantees;
- (4) whether the Board of Trustees will be held responsible for the failure of projects which were invested in; if so, what are the relevant details; if not,
- (5) whether the taxpayers' losses will be reimbursed; if not, what is the position in this regard; if so, what are the relevant details? **N973E**

REPLY:

- (1) No decision has as yet been taken to utilise public servants pension funds for infrastructure development on the continent. The President has requested both the Public Investment Corporation and the Government Employees Pension Fund to "investigate this matter further so that it can be pursued at the level of NEPAD."

This work is currently being undertaken.

- (2) This question cannot be answered in view of the answer to question one.

- (3) This question cannot be answered in view of the answer to question one.
- (4) This question cannot be answered in view of the answer to question one.
- (5) This question cannot be answered in view of the answer to question one.

NATIONAL ASSEMBLY
QUESTION FOR WRITTEN REPLY
QUESTION NUMBER 985

DATE OF PUBLICATION: JUNE 2005

MS M SMUTS (DA) TO ASK THE MINISTER OF FINANCE:

- (1) Whether the 3,3% of Telkom held back by the Public Investment Corporation for sale to broad-based empowerment beneficiaries pursuant to its warehousing of the Thintana stake in Telkom has been disposed of; if not, what process is in place to dispose of the stake; if so, who are the beneficiaries;
- (2) whether they will take up their shareholding in time to benefit from the dividend announced by Telkom on 6 May 2005; if not; why not; if so, what are the relevant details?

N1343E

REPLY:

- (1) The 3,3% stake held by the Public Investment Corporation (PIC) has not yet been disposed of. There are no beneficiaries yet as the transaction has not been completed. The disposal process will be managed by the PIC in consultation with the Elephant Consortium.
- (2) Falls away.