

NOTICE 875 OF 2012**COMPETITION COMMISSION**

**NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:
THE TRUSTEES FOR THE TIME BEING OF THE MERGENCE AFRICA PROPERTIES
INVESTMENT TRUST**

AND

**NQUTHU PLAZA SHARE BLOCK (PTY) LTD, BOCHUM PLAZA (PTY) LTD, BLOUBERG
PLAZA (PTY) LTD**

CASE NUMBER: 2012FEB0072

The Competition Commission hereby gives notice, in terms of Rule 38 (3)(c) of the 'Rules for the Conduct of Proceedings in the Competition Commission, that it has approved the transaction involving the above mentioned firms subject to conditions as set out below:

The primary acquiring firm is The trustees for the time being of the Mergence Africa Properties Investment Trust ("Mergence"). Mergence is in the business of investing directly into retail, industrial and office properties. It houses a portfolio of commercial properties.

The primary target firms are Nquthu Plaza Share Block (Pty) Ltd ("Nquthu"); Blouberg Plaza (Pty) Ltd ("Blouberg"); and Bochum Plaza (Pty) Ltd ("Bochum") (collectively "the target firms"). Nquthu is in respect of Nquthu Plaza Shopping Centre ("Nquthu Plaza"); Blouberg is in respect of Blouberg Plaza Shopping Centre ("Blouberg Plaza"); and Bochum is in respect of Bochum Plaza Shopping Centre ("Bochum Plaza").

The Commission found that the activities of the merging firms overlap horizontally as both the merging parties own retail properties in South Africa. The Commission found that the acquiring firm does not own any community shopping centres in the Nquthu node, KwaZulu Natal and in the Bochum node, in Limpopo. Accordingly, the proposed transaction is unlikely to lead to a substantial prevention or lessening of competition as there is no geographic overlap in the activities of the merging parties.

The Commission is however concerned about the exclusivity clause in the lease agreements which prevent small businesses from gaining access to the centres. This raises public interest concerns especially with regard to independent and small businesses' ability to gain access to the shopping centre. The Commission engaged with the parties regarding this concern and the parties proposed to try their best endeavours to negotiate with the anchor tenants to remove the exclusivity clause at renewal of the leases.

The Commission therefore approves the proposed transaction with the following condition:

1. Mergence shall negotiate with the anchor tenants in the utmost good faith to have the exclusivity clause in the lease agreement removed at the renewal of the lease in the following centres:
 - Blouberg & Bochum Plaza
 - Nquthu Plaza

Monitoring of compliance with the Condition

2. Mergence shall within thirty (30) days after entering into a new lease agreement with the anchor tenants in the centres listed in 1 above provide a report setting out in detail the extent to which they have complied with the condition of removing the exclusivity clause.

All correspondence in relation to Conditions should be forwarded to
mergerconditions@compcom.co.za

Enquiries in this regard may be addressed to Manager: Mergers and Acquisitions Division at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3298, or Facsimile: (012) 394 4298.