

Notice in terms of Section 60(4)(a)(ii) of the Competition Act

DECISION ON THE PROPOSED ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF LONRHO PLC (LANSMORE MASA SQUARE HOTEL) BY FS AFRICA LIMITED.

PURSUANT to Section 60(4)(a)(ii) of the Competition Act, notice is hereby given on the decision made by the Competition Authority in respect of the proposed merger involving FS Africa Limited and Lonrho Plc (Lansmore Masa Square Hotel).

The Authority determined to authorise the proposed transaction on the grounds that the analysis of the facts of the merger assessment showed that there were no substantial competition concerns that arise in the hotel facilities market in Botswana, given the fact that:

- i) The proposed transaction is not likely to result in substantial lessening of competition, nor endanger the continuity of service, due to the absence of geographical overlap between the activities of the merging parties in Botswana;
- ii) The merged entity does not possess any market dominance and consequently no threat of abuse of dominant market position is anticipated, as defined under Section 2 of the Competition Act (Cap 46:09); and
- iii) No significant negative effect on public interest in Botswana has been identified, in relation to the provisions of Section 59 (2) of the Competition Act.

Pursuant to the provisions of Section 55 of the Competition Act, the Authority has unconditionally approved the merger involving FS Africa Limited and Lonrho Plc (Lansmore Masa Square Hotel).

However, pursuant to the provisions of Section 66 of the Competition Act, this approval does not override or negate any other mandatory statutory approvals or processes that any of the parties to this merger must comply with under the Laws of Botswana.

Dated at Gaborone this 8th day of August, 2013.

Thula G. Kaira, Chief Executive Officer, Competition Authority, P/Bag 00101, Gaborone, Plot 50664, Fairgrounds, Tel: 3934278 Fax: 3121013