

MMI acquires controlling stake in Eris

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MMI Holdings announced that it has reached an agreement with Rand Merchant Bank and Royal Bafokeng Holdings to acquire their shares in the Eris Property Group (Eris). MMI's property portfolio is currently managed by Eris and Momentum Properties (previously Metropolitan Property Services).

MMI will also merge the property management business of Momentum Properties with Eris in exchange for additional shares in Eris. This merger will be effective from 1 July 2012 or as soon as practical thereafter. Eris management and Kagiso Tiso Holdings Proprietary Limited (RF) (KTH), who are existing shareholders in Eris, have agreed to acquire further shares from MMI, resulting in MMI holding a controlling interest of 50.1%, KTH 21.2% and Eris Management 28.7% in Eris post implementation.

After the transaction, Eris will manage properties of R24 billion, which includes MMI's property portfolio of R6,6 billion.

Nicolaas Kruger, Group CEO of MMI says, 'The transaction will strengthen the MMI Group's property capability and access to property services, property development and property investment opportunities. This investment is an exciting opportunity for the

group and reflects our ongoing efforts to strengthen our competitive advantage and create long-term value for all our stakeholders.'

This transaction is subject to a number of conditions precedent, including approval by the Competition authorities.