



Australian
Competition &
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Commission

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NEWS RELEASE

ACCC WILL NOT OPPOSE FEDERATION CENTRES' PROPOSED ACQUISITION OF NOVION PROPERTY GROUP

The Australian Competition and Consumer Commission has announced that it will not oppose Federation Centres' (ASX: FDC) proposed acquisition of Novion Property Group (ASX: NVN) after accepting court-enforceable undertakings from the parties to divest one of their shopping centres in South East Melbourne.

Federation Centres and Novion own or co-own 65 and 27 shopping centres, respectively, across Australia. Following divestiture of one shopping centre, the merged entity will own or co-own 91 shopping centres, making it the second largest owner of shopping centres in Australia.

The ACCC considers that the proposed acquisition does not raise competition concerns in most regions where Federation Centres and Novion currently compete as there are sufficient alternative shopping centre managers in these regions.

However, the ACCC was concerned that the proposed acquisition was likely to substantially lessen competition in South East Melbourne where Federation Centres and Novion own the Karingal Hub and Bayside shopping centres, respectively. These are the only large multi-purpose shopping centres within 20km of the Frankston CBD.

'The ACCC concluded that Karingal Hub and Bayside are each other's closest competitors in the Frankston region and that common ownership of these shopping centres would be likely to substantially lessen competition for shoppers in the region. The ACCC was also concerned about a potential reduction in competition for retail tenants. This reduction in competition could have resulted in less attractive amenities and retail offerings, or an ability to charge higher rents', said ACCC Commissioner Jill Walker.

'The sale of one of these shopping centres to an effective independent competitor will alleviate the ACCC's concerns regarding competition for shoppers and retail tenants in South East Melbourne', Dr Walker said.

The ACCC has therefore accepted court-enforceable undertakings which, in the event that the proposed acquisition proceeds, will require the divestiture of either Karingal Hub by Federation Centres or Bayside by Novion to a purchaser approved by the ACCC within a specified confidential period.

Taking into account the court-enforceable undertakings, the ACCC is satisfied that the proposed acquisition is unlikely to substantially lessen competition in the supply and management of shopping centres.

The ACCC will issue a public competition assessment in due course. Further information is available at the [public register](#).

Media inquiries

ACCC Media 1300 138 917

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