

NOTICE 505 OF 2011**COMPETITION COMMISSION****NOTIFICATION TO CONDITIONALLY APPROVE THE TRANSACTION INVOLVING:****ROBOR (PTY) LTD****AND****KMG STEEL SERVICE CENTRES (PTY) LTD****CASE NUMBER: 2011MAR5711**

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 the conditions as set out below.

The primary acquiring firm is Robor (Pty) Ltd ("Robor"), a private company incorporated in accordance with the laws of the Republic of South Africa. Robor is a manufacturer and supplier of welded tube and pipe, cold formed steel profiles, and associated value added products. Robor is active in most industries, including mining, logistics (rail and road), petrochemical, construction, agriculture, energy, water and automotive. It has recently, in 2010 entered the market for merchandising and value added services of carbon steel including the trading, cutting and bending of sheet, plate and long-product.

The primary target firm is KMG Steel Service Centres (Pty) Ltd, in respect of its carbon division known as Baldwins. Baldwins is active in the merchandising and value adding of sheet, plate and long-product.

In terms of the proposed transaction, Robor will be acquiring the carbon steel assets from KMG.

The investigation involved a horizontal assessment of the market for the merchandising of plate, sheet and long-product. Given that Robor is a new entrant in the trade and value added services of plate, sheet and long-product, the share accretion is minimal. In addition, a number of competing steel merchants are active in the market. Thus from a competition perspective the

Competition Commission ("the Commission") is of the view that the transaction is unlikely to result in a substantial prevention or lessening of competition.

In addition, an assessment of coordinated and unilateral effects was undertaken in which the facts of this case were applied to the findings in the matter between Primedia Ltd (First Appellant), Capricorn Capital Partners (Pty) Ltd (Second Appellant), New Africa Investments Ltd (Third Appellant) and The Competition Commission (Respondent) and African Media Entertainment Ltd (Intervener). The Commission finds that neither coordinated nor unilateral effects are likely as a result of this merger.

In addition, the proposed transaction raises a public interest issue; however, there is a greater countervailing public interest argument which serves to mitigate an even greater number of retrenchments absent the merger.

The Commission therefore approves the proposed transaction subject to the condition that no more than 134 employees are retrenched for a period of at least 24 months following the approval date of the merger. In addition the merging parties must report its compliance of the condition to the Competition Commission of South Africa once every 6 (six) months following the approval date of the merger.

Enquiries in this regard may be addressed to Mr. Maarten van Hoven at Private Bag X23, Lynnwood Ridge, 0040. Telephone: (012) 394 3295, or Facsimile: (012) 394 4295.