

NOTICE 1000 OF 2013**COMPETITION COMMISSION****NOTIFICATION TO APPROVE WITH CONDITIONS THE TRANSACTION INVOLVING:****CANNISTRARO INVESTMENTS 282 (PROPRIETARY) LIMITED****AND****ALERT STEEL HOLDINGS LIMITED****CASE NUMBER: 2013MAY0099**

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:

On 07 March 2013, the Competition Commission (the Commission) received a notice of an intermediate merger whereby the primary acquiring firm, Cannistraro Investments 282 (Pty) Ltd (Cannistraro) intends to acquire Alert Steel Holdings Limited (Alert Steel). As such, post-merger, Alert

Steel would become a wholly owned entity of Cannistraro.

Cannistraro is a newly formed entity incorporated in accordance with the laws of the Republic of South Africa. The merging parties indicate that Cannistraro has been formed for the purposes of purchasing shares in Alert Steel. Alert Steel Holdings is a company listed on the Johannesburg Securities Exchange (JSE) and therefore is not controlled by any single entity. Alert Steel is active in retail sale of light steel, steel related products and related value added services. It is also involved in retail of hardware, building materials, plumbing and sanitary ware.

The Commission finds that the proposed transaction raises no horizontal overlap between the business activities of the merging parties. Furthermore, there is no vertical relationship between

the business activities of the merging parties. The Commission therefore is of a view that the proposed transaction is unlikely to substantially prevent or lessen competition as there is no competitive overlap between the activities of the merging firms.

The Commission's investigation, however, found evidence that suggests that the proposed transaction is likely to raise public interest concerns relating to employment as contemplated in section 12A (3) of the Competition Act No 89 of 1998. In order to address the public interest concerns raised by the proposed merger, the Commission approved the merger subject to a condition, that Alert Steel does not retrench specified number of people, in terms of section (14) (1) (b) (ii) of the Competition Act No 89 of 1998, as amended. The Commission hereby issued a certificate in the prescribed form approving the merger.

All correspondences in relation to the Conditions shall be submitted to the following email address: mergerconditions@comcom.co.za.