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GENERAL NOTICES ALGEMENE KENNISGEWINGS

NOTICE 504 OF 2011

COMPETITION COMMISSION

NOTIFICATION TO CONDITIONALLY APPROVE THE TRANSACTION INVOLVING:

STEINHOFF SOUTHERN CAPE (PTY) LTD

AND

PJ VAN REENEN (PTY) LTD

CASE NUMBER: 2011JAN5604

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.

Steinhoff Southern Cape (Pty) Ltd ("SSC"), is the primary acquiring firm, which is a wholly owned subsidiary of PG Bison Holdings (Pty) Ltd ("PG Bison"), and through number of institutional structures is ultimately controlled by Steinhoff International Holding limited.

SSC in turn 100% controls Thesen Saw Milling (Pty) Ltd and Woodline Timber Industries (Pty) Ltd. PJ van Reenen (Pty) Ltd ("Van Reenen") which consist of the its main timber operation, general dealer store, farming and property management all form part of the transaction.

The SSC and Van Reenen's activities are both vertically and horizontally related. Horizontally, there is an overlap in their operations for the supply of saw logs and the manufacturing & supply of treated poles. Vertically, PJ Van Reenen supply saw logs to saw millers such as the Thesen sawmill of SSC.

The Commission concluded on the following relevant markets:

- Upstream market for the production and supply of saw logs and poles within a 150km
- Downstream market for the production and supply of structural sawn timber within Western, Eastern, Southern Cape regions possibly including parts of Southern KZN
- Downstream market for the manufacture of treated poles in the Western, Eastern, Southern Cape regions possibly including parts of Southern KZN

The upstream market for the supply of saw logs and poles is highly concentrated with MTO being dominant player with an estimated market share of over 60%. Post-merger market shares for SSC is estimated at about 16%. Despite the relatively low market share, the Commission continued to assess the impact of the transaction given the dynamics that prevail.

Barriers to enter both the upstream and downstream market were found to be high. These largely relate to the lack of new afforestation in the Southern Cape, the high cost of starting both a plantation and sawmill and scale ones needs to operate at, in order to be profitable. Critical for a sawmill is the sustainable and definite supply of timber. Given the severe shortage of softwood in the region, there is no incentive for any entry in the foreseeable future.

The chronic timber shortage also reduces alternatives for customers in the Southern Cape. Foreclosure analysis illustrates both ability and incentive for SSC to stop supplying competitors in the downstream market. Based on the age distribution of the trees on the PJ Van Reenen plantation, it is evident that it will be unable to supply certain classes of timber (Cs and Ds) to customers in the near future. Moreover the yield of A and B class logs will also be reduced because the plantation has not been managed on a sustainable rotation plan.

The Commission also considered the potential of coordination as a result of the transaction. The findings indicate that the acquisition is unlikely to significantly change the current market circumstances in terms of coordination. The market is already significantly transparent and concentrated which enable monitoring of competitors behavior.

Customers contacted during the course of the investigation generally raised concerns that SSC will self-supply its own operations and not supply the open markets. It is apparent that with or without the instant transaction current customers of PJ Van Reenen will not obtain the volume and classes of timber they used to obtain from the plantation. The treated pole customers contacted in the main identified alternatively sources of supply such as PSP and Humansdorp Kooperasie, CJ Rance and South Cape Sawmills. The geographic scope for treated poles extend at least as far as 500km giving greater scope of sourcing material inland.

The Commission concludes that despite the ability and incentive to foreclosure being a reality, the market dynamics (shortage timber, young age trees, no afforestation, government's exit policy) makes its unrealistic to impose conditions to alleviate the concerns of customers without prejudicing SSC.

With respect to public interest considerations, the parties submit that they do not anticipate retrenchments in the foreseeable future and that unless the economic conditions improve both pole yards may have to rationalise their operations. It does however appear that the rationalisation of their business activities into one, the duplication of functions will arise which will result in potential retrenchments. The Commission requested the parties to undertake not to retrench any workers to which they are amenable.

In order to ensure that the acquisition of PJ Van Reenen does not worsen the scarcity of timber in the Southern Cape region, the Commission requested the parties to invest in the plantation in order for it to become a sustainable plantation in the long-run.

Based on the aforesaid, the Commission conditionally approves the acquisition of PJ Van Reenen subject to the following conditions:

1. SSC will invest in the Van Reenen plantation, in the normal course of operations, on a long-term basis, in order to ensure the future sustainability of the van Reenen plantations, unless there are unforeseen circumstances that prevent SSC from adhering to this undertaking; SSC will consult with the Commission before terminating any further investment, and justify why this is the case.

2. Not to retrench any employee for a period of 3 years due to redundancies as a result of duplications of positions arising from the acquisition of PJ Van Reenen. Should the need arise for the parties to retrench employees due to factors extraneous to the acquisition of PJ Van Reenen, they must inform the Commission and submit reasons why the retrenchments are not merger related before effecting any retrenchments.

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.

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.

NOTICE 506 OF 2011**COMPETITION COMMISSION****NOTIFICATION TO CONDITIONALLY APPROVE THE TRANSACTION INVOLVING:****ASTRAL OPERATIONS LTD****AND****THE ABBATOIR BUSINESS CURRENTLY BEING OPERATED BY
CORPCLO 2410 (PTY) LTD****CASE NUMBER: 2011APR0016**

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 Astral Operations Limited ("Astral Operations"), a public company listed at the Johannesburg Stock Exchange ("JSE"). Astral Operations is wholly controlled by Astral Foods Limited ("Astral Foods"), a public company listed at the JSE. Astral Foods is not controlled by any firm. In South Africa, Astral Operations controls in excess of about 11 firms. Astral Operations is an integrated poultry producer that is active in the following: animal feed pre-mixes, manufacturing of animal feeds, broiler genetics, production and sale of day-old chicks and hatching eggs, integrated breeder and broiler production operations, abattoir and sale and distribution of various poultry brands.

The primary target firm is the abattoir business currently being operated by Corpclo 2410 (Pty) Ltd ("Corpclo"). Corpclo is not controlled by any firm. Its shareholders are Mountain Valley Farms (Pty) Ltd ("Mountain Valley Farm"), R Tremeane, N Lincoln Family Trust, and A Lewis. The shareholders of Corpclo are hereafter referred to as "the Corpclo shareholders". Corpclo produces mainly fresh poultry products which it supplies into KZN region. These products include whole birds, portions of birds, value added products (such as crumbed chicken burgers, seasoned wings and Texan drumsticks) and tertiary products (including necks, livers, gizzards, mala, heads and feet).

Astral Operations is also acquiring three broiler houses from Mountain Valley Farm. The acquisition of the three broiler houses is not notified by the merging parties on the basis that it does not meet the required threshold of an intermediate merger. However, for purposes of

analysing the effect of the proposed transaction on competition, the Commission assessed the acquisition of the three broiler houses from Mountain Valley Farm.

There is a horizontal overlap in the activities of the merging parties in the following market: supply of fresh poultry products, supply of frozen poultry products, production and supply of broilers. However, there is no geographic overlap in the market for the supply of broiler and fresh poultry products.

The Commission finds that the proposed transaction is unlikely to substantially prevent or lessen competition, as accretion in market shares is less than 1% in the production and supply of frozen poultry products. Further, customers of the merging firms contacted by the Commission indicated the ability to switch service providers at any time.

There is also a vertical relationship between Astral Operations and Mountain Valley Farm in that Astral Operations supplies the three boiler houses with day old chicks and broiler feed. Another vertical overlap exist between the activities of Astral Operations and Corpclo in that once Astral Operations acquires the three broiler houses from Mountain Valley Farm, the latter will be supplying the abattoir with broilers.

With respect to the supply of broilers to Corpclo, the Commission finds that, the proposed merger does not give rise to foreclosure concerns in the broiler market. With respect to the supply of broiler feed to Corpclo shareholders, the Commission finds that Astral Operations has the ability to foreclose independent feed producers in the KZN region, however, the customer foreclosure strategy is unlikely to result in anticompetitive effects in the broiler feed market overall.

The acquisition of Corpclo raises public interest concerns in that it has an effect on a particular industrial sector or region and/or on the ability of small businesses to remain competitive. The Commission finds that Astral Operations have the ability and incentive to foreclose rivals in the day old chicks market.

In order to address competition and public interest concerns resulting from the merger, the Commission imposes the following conditions:

- (i) Subject to –
 - a. market conditions remaining substantially the same as those applicable as at the date of this merger clearance; and
 - b. Stonor Farm ("Stonor") not materially negatively altering the terms and conditions of supply (including price) from those that applied prior to the merger,

The Corpclo shareholders shall continue to source, on average over a period of 6 months from the date of the merger clearance, no less than 90 000 day old chicks per week from Stonor.

- (ii) The Corpco shareholders shall be free to conduct their business based on their own commercial considerations. To the extent that the Corpco shareholders do not elect to become contract growers on behalf of the Astral Group –
 - a. And in the event that the Corpco shareholders procure broiler feed or day old chicks from the Astral Group, they shall be afforded transparent prices and terms and conditions for each product line from the Astral Group; and
 - b. All discounts and incentive schemes offered by the Astral Group will be communicated separately from the day old chick and broiler feed prices, and will not be designed so as to compel the Corpco shareholders to source broiler feed and day-old chicks from the Astral Group to the exclusion of competitors.
- (iii) The Corpco shareholders will report to the Commission every three months on their obligation to procure from Stonor as per paragraph (i) above.

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.

NOTICE 507 OF 2011**COMPETITION COMMISSION****NOTIFICATION TO CONDITIONALLY APPROVE THE TRANSACTION INVOLVING:****LIFE HEALTHCARE GROUP (PTY) LTD****AND****AURORA HOSPITAL (PTY) LTD****CASE NUMBER: 2011APR0015**

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 Life Healthcare Group (Pty) Ltd ("LHG"). The Primary Target Firm is Aurora Hospital (Pty) Ltd ("Aurora"). LHG is a key player in the South African healthcare industry, with its primary business being acute hospital care and surgical centres which are spread throughout Southern Africa. Aurora is an independent hospital providing private rehabilitation hospital facilities and services, situated in Port Elizabeth. A shareholder of Aurora is the Quadraplegic Society of South Africa ("QASA")

In terms of the transaction LHG purchased Aurora as a going concern with effect from 1 September 2010 and was requested by the Competition Commission to notify the merger in terms of section 13(3) of the Act because the Commission was of the opinion that the acquisition may substantially prevent or lessen competition or may not be justified on public interest grounds.

Both LHG and Aurora conduct business in the market for private hospital acute and sub-acute rehabilitation services, in particular LHG provides these services in East London at the St Dominic's hospital and Aurora provides these services from Port Elizabeth. The Commission has found that the respective hospitals do not compete with each other on a narrow regional level in that they serve patients from different geographic regions approximating their respective local cities. In addition there is but limited competition for specialists at the local level between Aurora and St Dominic hospitals. Therefore, the Commission concludes that there is no geographic overlap in the activities of the merging parties on a local level.

The Commission also considered a national market for the purposes of assessing competition post-merger for medical aid tariff negotiations. Medical Aid administrators negotiate tariffs on behalf of their significant membership and use their volumes to wield countervailing power. Medical aids' countervailing power is likely to be attenuated if one or few hospital groups

significantly increase their size such that alternatives to the services provided by these groups become limited or less attractive. The Commission found that Aurora accounts for a small proportion of the market for acute and sub-acute rehabilitation services and as such does not substantially augment LHG's existing market position.

Accordingly, the Commission finds that the merger is unlikely to result in substantial prevention or lessening of competition in the broad national and narrow local markets.

The Commission found that even though Aurora was always operated on a commercial, profit oriented basis it has a strong social responsibility element built into its operations. This is in the form of an arrangement between the Aurora hospital and QASA in which Aurora would provide a pro bono service to all quadraplegic patients identified by the QASA board as deserving of such treatment. The fact that QASA was also a shareholder in Aurora contributed to a certain extent in ensuring that Aurora continued to provide this pro bono service in this region.

This agreement was always an informal one and although LHG has undertaken to continue to honour the arrangement post-merger, without a binding agreement or a condition it is likely that adherence to this undertaking could be uncertain. As such the proposed transaction gives rise to significant public interest concerns. In order to guarantee the continued provision of this service and to prevent the effects of its cessation of in the region the Commission sought and obtained an agreement from the merging parties that the arrangement between Aurora and QASA for the provision of this pro bono service be made a condition for approval of the transaction.

The Commission therefore approves that the proposed transaction be approved with the following condition:

Aurora shall continue to provide pro bono services to quadriplegic patients approved by QASA to the value of R250 000 per year. This amount is not subject to inflationary increases and shall persist indefinitely for as long as LHG controls Aurora. Compliance with this condition shall be monitored by QASA.

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.

NOTICE 508 OF 2011**COMPETITION COMMISSION****NOTIFICATION TO CONDITIONALLY APPROVE THE TRANSACTION INVOLVING:****TERZOCEPT INVESTMENTS AND IVY-MOON 137 (PTY) LTD****AND****LA GARONNE ESTATES (PTY) LTD AND GRAHAM BECK ENTERPRISES (PTY) LTD AND
KANGRA GROUP (PTY) LTD****CASE NUMBER: 2011APR0009**

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 acquiring firms are Terzocept Investments (Pty) Ltd ("Terzocept") and Ivy-Moon 137 (Pty) Ltd ("Ivy-Moon"). Ivy-Moon is a wholly owned subsidiary of Terzocept. Terzocept is wholly owned by L'Ormarins (Pty) Ltd. The acquiring firms own vineyards, wine cellars and bottling facilities and are active in the market for the sale of wine, locally and in export markets. The target firms are La Garonne Estates (Pty) Ltd ("La Garonne"), Graham Beck Enterprises (Pty) Ltd ("Graham Beck") and Kangra Group ("Kangra"), companies incorporated in terms of laws of the Republic of South Africa. Through Graham Beck Enterprises, the target firms also own vineyards, wine cellars and bottling facilities and are active in the market for the sale of wine, locally and in export markets.

After the approval of this transaction, Terzocept will own the movable and immovable assets in Franschoek currently owned by Kangra; Ivy-Moon will own biological and other assets in Franschoek currently owned by Graham Beck; and Terzocept will own the total shareholding in La Garonne.

The Commission has found that in the market for the sale of wine and in a narrow market for the sale of ultra-premium, premium and low to medium priced wine categories the market shares of the parties are low, pre and post the merger. Further, the industry has low barriers to entry and this is confirmed by the large number of competitors in the sale of wine currently. Therefore, the merged entity is unlikely to substantially lessen competition or result in any unilateral conduct by the merged entity.

In relation to public interest issues, there are 36 job losses envisaged, however the merging parties have concluded agreements with employees to ameliorate the impact of the merger on

employees affected by this transaction. The merger is therefore approved subject to the following conditions:

1. The merging parties will not retrench more than the identified 36 employees for a period of 12 months after the approval of this merger;
2. If new opportunities for reemployment arise within 6 months after the approval of this merger, the retrenched employees (36) will get first preference;
3. The merging parties will honour the commitments reached with employees represented by FAWU and the Worker's Forum, as reflected in the agreements dated 19 April 2011 and 28 April 2011, respectively, and;
4. The merging parties will provide proof of compliance with the conditions contained in paragraphs 1 to 3 above to the Commission within six monthly intervals and in particular on the following dates:
 - 15 December 2011
 - 30 June 2012
 - 15 December 2012

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.
