

**NOTICE 250 OF 2008****COMPETITION COMMISSION****NOTIFICATION TO PROHIBIT THE TRANSACTION INVOLVING:****DPI PLASTICS (PTY) LTD****AND****INCLEDON CAPE (PTY) LTD**

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 prohibited the transaction involving the above-mentioned firms.

The primary acquiring firm is DPI Plastics (Pty) Ltd ("DPI Plastics"), a company incorporated under the laws of the Republic of South Africa. DPI Plastics is controlled by DPI Holdings (Pty) Ltd ("DPI Holdings"), a wholly owned subsidiary of Distribution and Warehousing Network Limited ("DAWN"). DAWN is a public company listed on the JSE Limited, accordingly no single entity controls it. DAWN controls DPI-Kwanzi (Pty) Ltd ("DPI-Kwanzi"), Incledon- DPI (Pty) Ltd ("Incledon- DPI"), Waterlinx & Irrigation (Pty) Ltd ("Waterlinx") and Pipex Plastics Botswana (Pty) Ltd ("Pipex"). DPI Plastics is involved in the manufacturing and distribution of plastic pipes and fittings for various applications including civil building, construction, plumbing, industrial, mining and irrigation. DAWN and its other subsidiaries are involved in the wholesale trading and distribution of local and international quality branded sanitaryware, plumbing and hardware products such as door locks, pad locks, screws, taps, basins and urinals.

The primary target firm is Incledon Cape (Pty) Ltd ("Incledon Cape"). Incledon Cape is controlled by Kovacs Investments 602 (Pty) Ltd ("Kovacs"). Incledon Cape operates as a wholesaler and supplier of a wide range of products including pipes, fittings, valves, flanges, threading machines, water meters, plumbing and related products used in the engineering, civils, agricultural, plumbing and municipal industries.

In terms of the structure of the proposed transaction, DAWN, through its wholly owned subsidiary DPI Plastics, intends to acquire the entire business of Incledon Cape as a going concern. Pursuant to the implementation of the proposed transaction, DPI Plastics will exercise sole control over the business of Incledon Cape.

There is a horizontal overlap in the activities of the merging firms in the market for the wholesale distribution of pipeline solutions used in the engineering, civils, agricultural, plumbing and municipal sectors. The proposed transaction also results in vertical integration in that DPI Plastics and DAWN are manufacturers of plastic pipes and fittings, sanitaryware, plumbing and hardware products while Incledon Cape is a distributor of said products.