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8 April 2004

The Registrar
Business Acquisitions & Authorisations
Commerce Commission
PO Box 2351
WELLINGTON

PURSUANT TO SECTION 66(1) OF THE COMMERCE ACT 1986 NOTICE IS HEREBY GIVEN SEEKING **CLEARANCE** OF A PROPOSED BUSINESS ACQUISITION.

PART 1 - TRANSACTION DETAILS

The Proposed Business Acquisition

1 The Business Acquisition for which Clearance is Sought

- 1.1 The acquisition for which clearance is sought is the acquisition by Atlas Group Limited or a wholly owned subsidiary (“Atlas”) of all the ordinary shares of Southward Engineering Co Limited (“Southward”).
- 1.2 This application seeks clearance for the acquisition. Attached to this application is the Heads of Agreement reached between the parties.

2 The Person Giving this Notice

- 2.1 This notice is given by:

Atlas Group Holdings Limited
C/o Atlas Specialty Metals Limited
308 Neilson Street
Onehunga
P.O. Box 13-249
Auckland
New Zealand
Telephone: (09) 634 0179
Facsimile: (09) 634 0172
Attention: John Whitwell
Email: whitwell.j@xtra.co.nz

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- 2.2 All correspondence and notices in respect of this application should be directed in the first instance to:

Quigg Partners
Level 7 The Bayleys Building, 28 Brandon Street
PO Box 3035
Wellington
Telephone: (04) 472 7471
Facsimile: (04) 472 7871
Attention: John Horner/David Quigg
Email: johnhorner@quiggpartners.com or davidquigg@quiggpartners.com

Confidentiality**3 Requested Confidentiality**

- 3.1 Atlas does not require the fact of the proposed acquisition to be kept confidential. Because Atlas is an ASX listed company details of the proposed acquisition were disclosed to the market on a copy of which is attached as Appendix 3.
- 3.2 Atlas does request that specific information contained in or attached to the notice is kept confidential. Atlas seeks confidentiality for the information in this application that is highlighted. We have provided a copy of this application with such confidential information deleted for the assistance of the Commission.
- 3.3 Atlas requests that, on expiry of any confidentiality order that the Commission may make, the confidential information continues to be withheld under section 9 of the Official Information Act 1992. Confidentiality is sought on the grounds that:
- (a) The information is commercially sensitive and valuable and its disclosure is likely to unreasonably prejudice the commercial position of the parties; and
 - (b) There are no other considerations which render it desirable in the public interest to make the information available under the Official Information Act 1982.

Details of the Participants**4 The Participants**

- 4.1 The Acquirer is:

Atlas Group Holdings Limited or a wholly owned subsidiary, details of which are set out in paragraph 2.1 above.

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4.2 The target company is:

Southward Engineering Co Limited of Port Road, Seaview, Lower Hutt. The contact person and details for the owner is:

Mr John Southward
Port Road, Seaview
PO Box 36036
Moera, Lower Hutt
Telephone: (04) 568 4079
Facsimile: (04) 568 9153
Email: john.southward@southward.co.nz

4.3 All correspondence and notices in respect of this application should be directed in the first instance to John Horner at Quigg Partners, details of which are set out in paragraph 2.2 above.

5 Inter-connected to or Associated Parties

5.1 Atlas Group/Associates:

- (a) Atlas is based in Melbourne, Australia and is listed on the Australian Stock Exchange. Atlas operates in the processing and distribution of speciality steels in Australia and New Zealand. Its core products include stainless steels, engineering steels, quenched and tempered steel plate and flat rolled aluminium, selling to over 7000 customers across a range of industry sectors. Further information about Atlas can be found at www.atlas-steels.com.au.
- (b) Atlas Group owns:
 - (i) Atlas Steel (Australia) Pty Ltd;
 - (ii) Bisalloy Steels Pty Limited;
 - (iii) PT Bima Bisalloy (60% only);
 - (iv) Atlas Steel NZ Limited;
 - (v) Gilbert Lodge NZ Limited;
 - (vi) Atlas Alloys Pty Limited;
 - (vii) Bisalloy Asia Pte Ltd;
 - (viii) Stainless Bar Co Pty Limited; and
 - (ix) Bisalloy Malaysia Sdn Bhd
- (c) The corporate wiring diagram of Atlas Group is set out in Appendix 1.

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- (a) Southward is a New Zealand manufacturer and supplier of automotive exhaust systems, mild steel and stainless steel tube. Southward supplies a range of industries including furniture and architectural through to industrial applications such as food processing, plant and heated towel rails. Southward employs more than 250 staff in Wellington, Christchurch and Auckland and has a presence in Australia through a subsidiary company called Exhaust Systems Australia in Sydney and Melbourne. Further information about Southward can be found at www.southward.co.nz.
- (b) Southward has the following wholly owned subsidiaries and other shareholdings in New Zealand:
 - (i) Stainless Alloys Ltd (100%);
 - (ii) Trimline Tube Engineering Ltd (100%);
 - (iii) NZ Tube Mills Ltd (99.9%).

6 Existing Beneficial Interests

- 6.1 Atlas is not aware of any participant, or any interconnected body corporate of a participant, that has an existing beneficial interest in or is beneficially entitled to, any shares or other pecuniary interest in another participant.
- 6.2 Because Atlas is a public company listed on the ASX it is possible that Southward may have a shareholding interest in Atlas. Clearly any such shareholding interest is not sufficient to exert any influence over the activities of Atlas on the grounds that Atlas has no knowledge of such shareholding.

7 Links Between Participants

- 7.1 There are no links, formal or informal, between any participants including interconnected bodies corporate or other persons identified at paragraph 5 and their existing competitors in the market other than:
 - (a) irregular and commercial arms length purchase agreements for a limited range of manufactured products where Southwards manufactures products that are purchased and distributed by Atlas;
 - (b) The Heads of Agreement for Share Purchase and the substantial agreement currently being finalised, which include an obligation on the vendors of the shares in Southward (being trustees of various family trusts) of non competition for a period of three years on standard commercial terms.

8 Common Directorships

- 8.1 No director of Atlas is also a director of any other company involved in the relevant markets other than companies directly or indirectly controlled by Atlas.

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9 **Business Activities of the Participants**

- 9.1 **Atlas** is a participant in the processing and distribution of specialty steels in Australia and New Zealand. It operates under the brands Atlas Specialty Metals and Bisalloy Steels. Atlas Specialty Metals distributes stainless steels and engineering metals. Bisalloy Steels as a secondary processor manufactures high tensile and abrasion-resistant quenched and tempered steel plate, branded as Bisplate.
- 9.2 **Atlas** Group is headquartered in Melbourne, Australia. In Australia and New Zealand Atlas Group has 19 distribution centres. The five New Zealand distribution centres are located in Auckland, Hamilton, Wellington, Christchurch and Dunedin.
- 9.3 Atlas Group core products are categorised as follows:
- Stainless steel Products;
 - Engineering steel products;
 - Quenched and tempered steel plate;
 - Carbon steel and stainless steel pipe and fittings; and
 - Aluminium products.
- 9.4 Atlas Group operates mainly in Australia and New Zealand and has significant export markets.
- 9.5 Atlas commenced its presence in Australia in 1939 as a trading entity of a Canadian steel producer. During 1962 the current distribution warehouse and wire drawing mill at Altona, North Melbourne were established. In 1987 Atlas was listed on the Melbourne Stock Exchange at which time a Merger with Martin Bright Steels Group occurred. Email Limited acquired Atlas in 1995. In 2001 Smorgon-OneSteel acquired Email whereby the Australian Competition and Consumer Commission (“ACCC”) required divestment of the Atlas/Bisalloy businesses. A newly formed private company, AB Steel Holdings Pty Limited, which is, now known as Atlas Specialty Metals Group Pty Limited, acquired the businesses. Atlas listed on the Australian Stock Exchange in 2003 with a market capitalisation of approximately AUD 90 million.
- 9.6 The most recent Annual Report of Atlas is attached to this application as Appendix 7.
- 9.7 **Southward** is a New Zealand based manufacturer and supplier of automotive exhaust systems, light walled carbon steel and stainless steel tubing. Southward has been operating in New Zealand since 1938. Southward through a four branch trading company, Stainless Alloys Limited, domestically distributes stainless steel, aluminium and brass products. It is in this distribution business through Stainless Alloys where there is some level of aggregation in the relevant markets.
- 9.8 Southward’s tube manufacturing plants are in Auckland and Wellington. Both plants have distribution facilities and there are further distribution centres in Hamilton and Christchurch.

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9.9 Southwards product range includes mild, galvanised, aluminised, high strength and stainless steel. In particular Southwards manufacture high quality stainless tubing suitable for sanitary and food grade applications.

10 Reasons for Proposal and Intentions in Respect of the Acquired Business

PART 2: IDENTIFICATION OF MARKETS AFFECTED**Horizontal Aggregation****11 Markets where there would be an Aggregation Of Business Activities**

- 11.1 The acquisition of the shares in Southward by Atlas will result in minimal aggregation in the markets in which both businesses operate.
- 11.2 We have defined the relevant markets (where there is market aggregation) as the national market for the distribution of steel products.
- 11.3 In determining the market definitions above we have considered the Commerce Commissions approach to market definitions in Decision No. 376 (Fletcher Challenge Steel Products Limited acquiring Steel and Tube Holdings Limited) and subsequently confirmed in Decisions 378, 421 and 427. Those decisions considered certain product lines (e.g. steel plate, steel coil and reinforcing steel) as distinct markets. We believe this was likely as a result of the functional dimension of those markets including fabrication and processing rather than solely distribution.
- 11.4 We believe supply side substitutability where the functional dimension of the market is solely distribution is sufficient enough to include the various product lines, both in terms of the form of product (e.g. sheet, plate, pipe, tube) and steel type (carbon, mild, galvanised, stainless). Essentially most steel distributors would be able to expand product lines simply by sourcing from manufacturers or importers additional products and utilising existing distribution channels and spare warehousing capacity. An example of recent expansion is Special Steels and Metals Limited which has in the last six months expanded their range of specialised steel products to include additional engineering steels particularly in the form of bar products.
- 11.5 Also of interest are the Australian cases in the context of the misuse of market power proceedings between Queensland Wire Industries Proprietary Limited and The Broken Hill Proprietary Company Limited (the “Queensland Wire” case).¹ Toohey J of the High Court of Australia ultimately determined that the relevant market was the supply of steel and steel products in Australia.² This rejected the lower court determination that the relevant market was either a market for rural fencing materials in Australia or the market for the supply of star pickets, being a particular steel product used in fencing. Applying this to the present circumstances steel products is considered to be the appropriate product dimension to the relevant market because of a high degree of supply side substitutability between various forms of steel (e.g. sheet, plate, tube and pipe) and the various properties of different types of steel (carbon, mild, galvanised, stainless, aluminium and brass).
- 11.6 As detailed above Atlas and Southward are involved in other markets where there is little or no aggregation of market share, such as Southward’s manufacturing facilities. Currently Atlas has no established manufacturing facilities in New Zealand.

¹ *Queensland wire Industries Proprietary Limited v The Broken Hill Proprietary Company Limited and Another* [1989] HCA 6; (1989) 167 CLR F.C. 89/004 (8 February 1989) attached to this application as Appendix 6.

² See para 16 of Toohey J’s judgement on page 28.

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11.7 **Product dimension:** Product lines where there will be aggregation include the following:

- (a) Stainless steel sheet and plate;
- (b) Stainless coil;
- (c) Aluminium sheet;
- (d) Steel bars; and
- (e) Steel tube and pipe.

For the purposes of this application we refer to the above-mentioned products as the “relevant products”.

11.8 Attached as Appendix 5 is a product brochure from Southward which identifies the product lines where there is **no** aggregation with Atlas.

11.9 The **functional level** of the businesses of Atlas and Southward where there will be aggregation is distribution.

11.10 The **geographic dimension** of the relevant market is national. Both Southwards and Atlas distribute throughout New Zealand and customers are prepared to source products from anywhere in New Zealand or off-shore should there be benefits in doing so. The average sale value of product purchased is thought to be between NZ\$650 - NZ\$1100. Because of the high value of the goods purchased and the relatively low costs of distribution customers are prepared to source the relevant products from throughout New Zealand.

11.11 While the applicant has distribution outlets in Auckland, Hamilton, Wellington, Christchurch and Dunedin it is considered to be more a point of differentiation between suppliers rather than as a result of market demand. This position is due to the ease and low costs of transportation and the typical purchase patterns of the customers that are to place orders up to 120 days ahead of requiring the product to be delivered where the order is large and requires an order to be placed with a manufacturer. When purchasing products that are held in inventory by the distributor a typical lead-time for delivery is a few days for repair and maintenance work or 30 days for project based fabrication. In all cases it is considered by the applicant to be feasible to source products from throughout New Zealand.

11.12 **Time dimension** is not relevant to the analysis of the relevant market as transactions are frequent and there are few long-term contracts between suppliers such as Atlas and Southward and buyers.

11.13 The **customer dimension** is also not relevant as there is no discrimination between customers within the relevant markets identified. Customers in the main are manufacturers producing a diverse range of cost effective goods for domestic and or export sales. Both Atlas and Southward offer a wide range of metal products and supply to arrange of industries including architectural, automotive transport, household products, food and beverage processing plants, marine, resources, petrochemical mining, industrial, construction, government and defence segments.

Differentiated Product Markets

12 Standardised or Differentiated?

12.1 There is some differentiation in the product lines of relevant products including:

- (a) branding;
- (b) distribution networks;
- (c) availability of product;
- (d) range of product; and
- (e) quality of metals used.

12.2 Because of the broad range of customers that both Atlas and Southward have in New Zealand both price and product characteristics are generally factors considered by customers. Both Atlas and Southward are capable of sourcing suitable products for a broad range of industries. This ability is not thought to be confined to any particular distributors.

13 Characteristics of Differentiation.

13.1 The main characteristics differentiating participants in the national supply of the products is the depth of inventory held, metal types, finishes and gauges stocked in relationship to the end user market segment. General steel product suppliers offer a wide range of predominately carbon steel product lines to the manufacturing and structural fabricators.

13.2 Specialist suppliers can be considered as targeting specific market segments rather than the general wholesale and retail markets. For example Southward specialise in the supply of complete automotive exhaust systems manufactured in accordance with the buyers product specification.

13.3 Other suppliers specialise in aluminium extruded and/or rolled products and others imported decorative grade stainless steel tubing products typically targeting the marine and commercial building industries. Some specialist suppliers are able to offer a greater range of products in any one particular product line, which services the requirements of those niche customers³.

13.4 There is further differentiation between suppliers of the relevant products through brand image and a reputation for providing expert advice and quality service. Reputation can result from stocking higher quality products and specific brands.

For example, Special Steels and Metals Limited is a company in New Zealand that specialises in engineering steels and tools metals with the capability of secondary processing heat treatment. Also, Sandvik New Zealand Limited is a Swedish-owned company operating in New Zealand in specialty stainless steels.

PUBLIC VERSION**Vertical Integration****14 Vertical Integration Between Firms at Different Functional Levels**

14.1 The proposed acquisition will not result in vertical integration between firms involved at different functional levels other than occasional purchasing by Atlas of particular steel products manufactured by Southward. In New Zealand Atlas purchased approximately [] worth of steel products from Southward in the 2003 financial year. This minimal level of vertical integration will, in the view of the applicant, have no impact on the ability of competing distributors from sourcing a complete range of steel products.

Previous Involvement in Acquisitions**15 Previous involvement by Atlas or Southwards (or interconnected body corporates)**

15.1 As mentioned in paragraph 9.1 above the business of Atlas was divested by Email Limited in 2001 as part of an undertaking by Smorgon Steel Group Limited and Onesteel Limited to the ACCC. As a result a private equity fund acquired the shares in Atlas, which went on to list on the ASX in 2003. No proposed acquisition of assets of a business or shares involving either participant, or any interconnected body corporate, has been undertaken in the last three years in the relevant market.

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PART 3: CONSTRAINTS ON MARKET POWER BY EXISTING COMPETITION**16 Existing Competitors**

- 16.1 The suppliers of competing products in the relevant market are set out in the Table below.
- 16.2 Estimated market shares in respect of sales of each supplier identified are also set out in the tables below.

Table 1: National Distribution of Steel Products - 2003

Supplier	Turnover (\$M)	Market Share %
Atlas		
Southward		
Steel & Tube Dist.		
Fletcher Easysteel		
Vulcan Steel		
Asmuss H J		
Mico Metals		
Corus New Zealand		
Kiwi Steel		
Sandvik		
New Zealand Fastners		
Others		
TOTAL	829	
Current 3-Firm Concentration Ratio	485	58.5
Post-Merger 3-Firm Concentration Ratio	485	58.5
Atlas/Southward		

- 16.3 In addition to the market for steel products identified above, both New Zealand Steel Limited and Pacific Steel (being New Zealand manufacturers) supply wholesale direct to end users (e.g. Fisher & Paykel, Rheem New Zealand, and Southward Engineering). It is thought such direct sales account for 40% of the total distribution market. If such figures are included, which we believe they technically should be, the market shares above would be considerably less.
- 16.4 Further information about each of the competitors detailed above is set out in Appendix 4.

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16.5 The data above is sourced from various sources as outlined below.

Company	Source of Data	Expected Degree of Accuracy
Atlas	Internal records	High
Southward	Internal records	High
Steel & Tube Dist.	Management estimate*	Medium
Fletcher Easysteel	Management estimate*	Medium
Vulcan Steel	Management estimate*	Medium
Asmuss H J	Management estimate*	Medium
Mico Metals	Management Estimate	Medium
Corus New Zealand	Management Estimate	Medium
Kiwi Steel	Management estimate*	Medium
Sandvik	Management Estimate	Medium
New Zealand Fasteners	Management Estimate	Medium

*These management estimates were tested with appropriate personnel from each competitor although not confirmed. Those persons and their contact phone numbers are:

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-
-
-
-

16.6 Figures for previous years have not been determined and would be subject to a low degree of accuracy.

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- 16.7 The applicant considers the relevant market to be very competitive. Customers are prepared to switch from one supplier to another on the basis of price alone notwithstanding some level of product differentiation described above.

Other considerations

- 16.8 No wrought special steels are manufactured in New Zealand and these metals are predominately supplied from Europe or Asian producers either on a direct basis or through the secondary distribution networks established in all industrialised countries. Without heavy industry the NZ market lacks merit of scale and against the domestic carbon steel producers parallel importing is the norm. Atlas imports approximately 98-99% of its product range of its product range, which is considered typical for the specialised steel distribution industry. For general steel merchants the level of imports is thought to be approximately 60%.
- 16.9 There is minimal exportation by New Zealand steel distributors (as opposed to manufacturers), although the applicant believes Steel & Tube and Fletcher Easysteel export steel products to Pacific Island nations.
- 16.10 Whilst Atlas considers Southward to be a competitor in the relevant product range it does not consider it particularly vigorous and effective competitor for the following reasons:

Conditions of Expansion**17 Market Conditions**

- 17.1 **Frontier entry conditions:** There are minimal frontier entry conditions which apply to the supply of the relevant product in New Zealand. Steel tariffs on imports are between zero and seven percent although most imported goods are zero rated under the current duty concessions. Full container loads can be shipped from most countries of purchase to main destination ports in New Zealand for a nominal cost of approximately US\$2500 per container load of 20 tonne, which for special metals (as opposed to carbon steel) would have a sale value of approximately US\$3000 to US\$4000 per tonne or US\$60,000 – US\$70,000 per container.
- 17.2 **Legislative/regulatory conditions:** There are no substantial regulatory requirements to expansion or new entry into the relevant market. Where a new or near entrant or an existing competitor considers expansion requiring additional building capacity regional plans and zoning requirements would need to be considered. Other standard business regulations would also need to be considered such as health and safety regulations. Compliance would be relatively straight forward and would not amount to a barrier to entry.
- 17.3 **Products:** Access to the relevant products for supply is not considered difficult. The applicant is unaware of any exclusive distribution agreements in the relevant market. Steel supplies are facilitated through trading houses offering order amalgamation, logistical and financial services. Entrants can enter the market on any

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scale in respect of any range of product lines it chooses. Requisite technical knowledge is unlikely to be difficult to source.

17.4 **Other:** The barriers to entry in respect of the relevant market are considered to be very low by the applicant. Recent green field start companies who are now trading successfully in steel products include Special Steels and Metals, TJ-Steels, Steel North Shore and Vulcan Steel. The larger carbon steel merchants elect to retain an active trading position in special steels.

18 Existing Businesses which could Expand

18.1 It is believed that all participants in the steel products industry could increase supply by increasing utilisation of existing capacity or through the expansion of existing capacity or diversion of production into the market. It is thought that One Steel out of Australia could set up in New Zealand very quickly through its trading divisions “Market Mills” and “Tube Makers”. Another Australian company that the applicant believes may soon become established in New Zealand is Orrcon Pty Limited.

19 Conditions Influencing Expansion

19.1 There are no market conditions that are considered likely to impede the business decision of any participant to increase supply other than limited demand and prevailing economic conditions in New Zealand.

20 Expected Timeframe for Supply to Increase

20.1 Competitors and/or near entrants could enter the market quickly simply by expanding on existing product lines using existing capacity. Such expansion could occur in a matter of weeks. Even where there is no such existing capacity, additional capacity could be easily achieved by expanding existing premises, relocating or opening and operating an additional site. This could be expected to take approximately three to six months. A recent example of such expansion is Corus New Zealand Limited which prior to 2003 was the leading specialist in the distribution of stainless steel. During the course of 2003 Corus expanded its product range to include a range of engineering steels.

21 Extent to which the Possible Competitive Response of Existing Suppliers would Constrain Atlas

21.1 Any competitive response would be a constraint on the merged Atlas/Southward entity depending on the nature of the competitive response. It is possible that some competitors who are also customers of Atlas or Southward may seek alternative sources of steel products to cover a perceived threat to continuity of supply. Such a response is thought to be short term, if it happens at all.

22 Extent Overall to which the Conduct of Existing Suppliers would Constrain Atlas

22.1 The absence of barriers to expansion means that the merged entity would naturally be constrained by the conduct of existing competitors in the market. On the basis of the applicant’s calculations the Commissions safe harbours are satisfied, assuming the Commission accepts the market definition as proposed by the applicant.

PUBLIC VERSION**Coordinated Market Power****23 Market Characteristics that would Facilitate or Impede Co-Ordination Effects**

23.1 The applicant submits that the proposed acquisition would not result in a change in the relevant market that will facilitate possible co-ordination between competitors. Rather, there are various characteristic that would impede co-ordination as follows:

- (a) with fourteen “major” steel merchants and six niche suppliers the NZ market is well serviced presenting end users with varied supply options;
- (b) there is some, albeit limited, product differentiation;
- (c) cost down driven production technology is evolving;
- (d) the relative ease and speed with which new and near entrants can enter the relevant market;
- (e) the New Zealand steel market price levels are internationally driven;
- (f) the presence of small and fringe competitors, including specialist product line suppliers, and the ability of those competitors to expand their product lines and open new supply outlets;
- (g) the absences of any history of price fixing or other collusive behaviour between participants in the relevant market, at least to the knowledge of the applicant; and
- (h) the low incidence of industry fairs and forums.

24 Market Characteristics Facilitating or Impeding Monitoring and Enforcement of Co-ordinated Behaviour

24.1 There are a number of market characteristics that would, post acquisition, facilitate the monitoring and enforcement of coordinated behaviour by market participants as follows:

- (a) sales are frequent and are demand driven;
- (b) there is little, if any, vertical integration which would prevent price cuts being concealed in upstream markets;
- (c) the low level of brand exclusivity as noted above;
- (d) market growth is low and is related to the domestic demand or the export selling of tradable manufactured goods;
- (e) national steel distribution facility costs are similar to all competitors with the major variation depending on plant investment for down stream service processing, and
- (f) pricing remains end user driven, bench marked against international replenishment costs.

PUBLIC VERSION**25 Details of Price Co-Ordination, Price Matching or Price Following by Market Participants**

25.1 The applicant is not aware of any price coordination, price matching or price following by market participants. In general, the supply of the relevant products is a highly competitive market, which results in some reaction to competitors' price movements. The applicant is not aware of any tacit collusion in the relevant market.

26 Why the Acquisition of Southwards will not increase the Risk of Co-ordinated Behaviour in the Market Place

26.1 The proposed acquisition will not increase the risk of co-ordinated behaviour because of the effect of the characteristics of the relevant market detailed in paragraphs 23.1 and 24.1. Market participants would be unlikely to maintain the internal discipline that would be necessary to avoid detection of collusive behaviour in the circumstances of low barriers to entry and the relative ease with which near entrants to the market can parallel source cost effective steel products to directly compete.

26.2 In addition to this there is thought to be some degree of countervailing market power in respect of supply arrangement with major customers. A large customer could procure a large proportion of its relevant products directly from manufacturers, without going through a supplier. The applicant believes that the constraint imposed by the conduct of existing competitors is sufficient to ensure that competition would not be substantially lessened in the relevant market.

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THIS NOTICE is given by John Whitwell, ex New Zealand Manager, Atlas Specialty Metals Limited.

I hereby confirm that:

all information specified by the Commission has been supplied;

all information known to Atlas Group Holdings Limited which is relevant to the consideration of this notice has been supplied;

all information supplied is correct as at the date of this notice.

I undertake to advise the Commission immediately of any material change in circumstances relating to the application/notice.

Dated this 8th day of April 2004.

Signed for and on behalf of
Atlas Group Holdings Limited

John Whitwell

Consultant

I am an officer of the company and am duly authorised to make this notice.

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APPENDIX 1**

Atlas Company Structure

APPENDIX 2

Heads of Agreement

[Document is Confidential]

APPENDIX 3

ASX Disclosure

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APPENDIX 4**

Existing Competitor Details

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APPENDIX 5**

Southward Product Brochure

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APPENDIX 6**

Queensland Wire v BHP Case

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APPENDIX 7**

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