

DECISION no. 69 from 29.03.2006

regarding the economic concentration carried out through the qualitative changing of the joint control over SC Petromservice SA Bucuresti, as a result of Elbahold Ltd. acquiring of 49,3508% of the shares in SC Petromservice SA Bucuresti

THE PRESIDENT OF THE COMPETITION COUNCIL,

Based on:

1. Decree no 57/17.02.2004 regarding the appointment of the members of the Plenum of the Competition Council;
2. Competition Law no 21/1996 with subsequent amendments and completions;
3. Regulation on organization, functioning and procedure of the Competition Council, with subsequent amendments and completions;
4. Regulation for authorising the economic concentrations;
5. Guidelines regarding the definition of relevant market;
6. Notification of the merger (RS-170/28.10.2005);
7. Documents from the case file (RS-52/04.05.2005);
8. Industry and Energy Directorate Note regarding the notified concentration.

Taking into account that:

1. On 31.03.2005, the Extraordinary General Meeting of SC Petromservice SA's Shareholders decided the increase of the company's joint stock, from [...] ROL to [...] ROL, by issuing 1.490.528 shares, at [...] ROL each.
2. In the same time, the deadline of 1 month was set for the exercise of the right of preference by the existing shareholders; these shareholders bought 1.30% from the newly issued shares.
3. The Extraordinary General Meeting of SC Petromservice SA's Shareholders on 30.06.2005 approved the offer submitted by ELBAHOLD Ltd. to buy all the available newly issued shares.
4. On 29.09.2005 ELBAHOLD Ltd. acquired all the available newly issued shares. Thus, ELBAHOLD Ltd. acquired 49,3508% from the total shares of SC Petromservice SA.
5. The acquisition of 49,3508% from the total shares of SC Petromservice SA by ELBAHOLD Ltd., constituted an operation of economic concentration, in the meaning of art. 10 para. 2 lit. b) of the Competition Law no. 21/1996, through the qualitative changing of the joint control over SC Petromservice SA Bucuresti, from the joint

control exercised by Asociatia Salariatilor din SNP PETROM SA – “PETROM” and 8.573 small shareholders, to the joint control exercised by those mentioned above plus ELBAHOLD Ltd.

6. The relevant turnovers are above the *de minimis* thresholds provided for by art. 14 of the Competition Law no. 21/1996. The notification became complete on 28.02.2006.
7. The acquiring company ELBAHOLD Ltd. has as its main object of activity: ensuring the industrial or commercial activity of manufacturers, traders, importers, exporters; ensuring the activity of counseling, management etc., in any industrial or business field; obtaining and detaining shares, goods, bonds, warranties from any company, government, state etc.
8. The companies belonging the Elbahold's group and active on the Romanian market when the economic concentration occurred were the following: SC X-Oil Grup SRL, SC GM Invest SA, SC Print Multicolor SRL, SC CGR Media SA, SC Accent Travel & Events SRL, SC Conservil SRL, SC Delta Asigurari SA si SC Sisteme de Management Performant SRL.
9. The acquired company, SC Petromservice SA, has as its main object of activity: providing services adjacent to oil and gas extraction, and as secondary object of activity: manufacturing of metallic structures, tanks for fuel storage, pump houses for oil products, construction and rehabilitation of national, county, communal oilfield and forestry roads, maintenance and repairs of low and medium voltage commutation installations and of electric motors and transformers etc.
10. At the time of the economic concentration, SC Petromservice SA was controlling the following companies, active on the Romanian market: SC Global Video Media SA (99,996%), SC Euroest Press SRL (99,9558%), SC Editura Ziua SRL (99%), SC Ziua SRL (99%), SC Ana-Maria Press SRL (99%), SC Insomar SA (87,5%), SC CNF Giurgiu Nav SA (68,538%), SC Dixitpress SRL (51,001%) and SC Petro Security Group SRL (51%).
11. Taking into account the activities undertaken by the acquired company SC Petromservice SA and by the companies controlled by it that are active in the Romanian market, the following relevant market were defined:
 - Workover services – well repairments;
 - Well maintenance services;
 - Well-drilling services;
 - Transport services;
 - Constructions;
 - Broadcasting;
 - Press distribution;
 - Editing and selling of books;
 - Editing and selling of daily newspapers;
 - Printing of newspapers, reviews etc.
 - Market research;
 - Merchandise river transport;

- Renting of ships;
- Maintenance and repairment of ships;
- Ship agency;
- Port operations;
- Editing and selling of newspapers in Prahova county;
- Investigations and protections of goods and persons;

12. The Petromservice's positions on the relevant markets on which it has its most important turnovers are the following:

- on the market of workover services, SC Petromservice SA has a market share of approx. [...]%, other important actors being: SC Petrom SA (approx [...]%) and SNGN Romgaz SA (approx [...]%)

- on the market of well maintenance services, SC Petromservice SA has a market share of approx. [...]%, other important actors being: SC Upet SA, SC Upetrom SA, SC Uztel SA, SC Electroalfa SA, SC IRA SA, with market shares between [...]% and [...]%

- on the market of well-drilling services, SC Petromservice SA has a market share of approx. [...]%, other important actors being: SC Dafora SA, SC Foraj Sonde SA Tg. Mures, SC Foradex SA, SC Foserco SA, SC Foraj Sonde SA Craiova, with market shares between [...]% and [...]%

13. Except the relevant market of printing newspapers, reviews etc., no entity controlling SC Petromservice SA was active, directly or indirectly, on any of the defined relevant markets, before the analyzed merger;

14. At the moment of the analyzed merger, ELBAHOLD Ltd. was indirectly controlling SC Print Multicolor SRL Iasi, which was active on the relevant market of printing newspapers, reviews etc.

15. SC Petromservice SA Bucuresti was active on the same relevant market through SC Ana-Maria Press SRL Bucuresti; the same as regards ELBAHOLD Ltd., through SC Print Multicolor SRL.

16. On the above-mentioned relevant market, SC Petromservice SA Bucuresti and ELBAHOLD Ltd. were not actual competitors, but only potential, since their respective areas of activity were focused on different geographic regions – Bucharest and Moldavia. Their market shares on their respective geographic markets were the following: SC Ana-Maria Press SRL – [...]% in Bucharest; SC Print Multicolor SRL – [...]% in Moldavia. Under these circumstances, the analyzed merger did not raised competitive issues on the relevant market of printing newspapers, reviews etc.

17. As a result of the analysis of the effects of the notified merger, it can be noticed that the economic concentration carried out through the qualitative changing of the joint control over SC Petromservice SA Bucuresti does not lead to the significant

restriction, prevention or distortion of competition on the Romanian market or on a part of it.

DECIDES

Art. 1 The economic concentration carried out through the qualitative changing of the joint control over SC Petromservice SA Bucuresti, as a result of Elbahold Ltd. acquiring of 49,3508% of the shares in SC Petromservice SA Bucuresti is authorized, in accordance with Art. 46 para. 1 (b) of the Competition Law no. 21/1996, with subsequent amendments and completions, and para. 138 (b) of Part II, Chapter II of Regulation for authorising the economic concentrations; it has been found that, even if the law is applicable in the case of the notified economic concentration, there are no serious doubts as regards the compatibility with a normal competitive environment.

Art. 2 The authorization fee, provided for in Art. 32 para. 2 of the Competition Law no. 21/1996, with subsequent amendments and completions, is in amount of [...] RON and will be paid in maximum 30 days from the date of the communication of this Decision.

Art. 3 This decision becomes applicable from the date of its communication to the undertakings concerned in the economic concentration.

Art. 4 The Competition Council's decision may be appealed during a lapse-time period of 30 days in front of the Court of Appeal Bucharest, administrative court section, in conformity with the provisions of art. 47 para. 4 of the Competition Law, as modified and completed.

Art. 5 The General Secretariat and the Industry and Energy Directorate of the Competition Council will monitor the fulfillment of this decision.

Art. 6 The General Secretariat of the Competition Council will communicate immediately the present decision to:

ELBAHOLD LIMITED

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si Asociatia salariatilor din S.N.P. PETROM S.A. – „PETROM”

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Mihai Berinde
President