

Macsteel unit goes on sale

TINA WEAVIND

OPPORTUNITIES to buy into Macsteel Service Centres SA have cast the spotlight on one of the country's most secretive companies.

The African steel service centre group known as MSCSA is a subsidiary of Macsteel Holdings, which has never listed. The company as a whole had a turnover of about \$9-billion in 2011, according to Financial Mail.

MSCSA is a global operation involved in steel manufacturing, trading, and shipping. Dave Dawkshas, group marketing

director of MSCSA — one of the largest companies in South Africa — said numerous unsolicited purchase enquiries had been received over the years and this was an opportune time to consider the offers.

Eric Samson, the founder and driving force behind the company, is 75. With no family members in line to take over the business, he has decided to finally cash out and retire.

Dawkshas said Samson is likely to leave the company completely and not stay on in any management position.

Samson, renowned for keeping out of the public arena,

Who is Eric Samson?

LITTLE is known publicly about steel doyen Eric Samson, who is thought to be among South Africa's wealthiest people.

As head of a private company, Samson is not obliged to disclose anything publicly.

Information gleaned from rare interviews and company history shows that Samson was born in Cape Town in 1938. At the age of 19 and with a matric from Parktown Boys High, he joined his father's fencing wire and steel business, Pan Afrika Staalhandel.

In 1962 he assumed control

and was not available to comment.

Samson is a philanthropist and donates funds mostly to causes supporting education

of the company and in the following decades he systematically transformed it into a multinational processor and steel trader.

Samson grew the company through a slew of acquisitions over the years, preferring to borrow from the bank rather than raise capital on the open market.

The company has since grown into a number of operational areas broadly positioned under the banner of Macsteel Holdings and Macsteel Global BV.

They include Iskoor Metals

and health care.

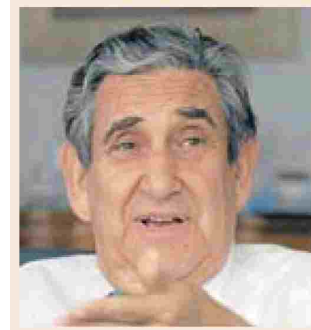
Investec Bank will be managing the transactions.

Eldad Friedman, who spoke

and Steels, Israel's largest steel and metals service centre business and Macsteel International Holdings BV (MIHBV), a global trading arm created following the acquisition of the trading house Leo Raphaely & Sons. MIHBV ships more than five-million tons of steel products a year through hubs in London, New York, Hong Kong, Dubai and Johannesburg.

Headquartered in the Netherlands, MIHBV was established as a joint venture between Macsteel and ArcelorMittal South Africa.

on behalf of the bank, said the parties that had been approached to bid were both local and international.



■ **STEELY:** Eric Samson

MUR Shipping is another operation, which ships about 20-million tons of cargo each year. — *Tina Weavind*

He could not be drawn on any names, or on how much money would be involved. He said no parallel process is in place to

list the company, and all indications are that it will remain private.

Dawkshas said the value of the equity will be determined by market forces and by the latest evaluation methodologies.

MSCSA, which is headed up by Michael Pimstein, has more than 70 steel service centres in Africa and employs more than 5 000 people.

Future management will be determined by the new majority shareholders.

Dawkshas said it is unlikely the new owners will dispense with the expertise and experience of the current executive and senior management.

Apart from Samson and his investment structures, the major shareholders of MSCSA include management and a BEE consortium holding 25.5%.

The US operation, Macsteel Service Centres USA (MSCUSA), was sold in 2011 to Germany's Klöckner and Company for \$660-million.