

MEDIA RELEASE



Australian
Competition &
Consumer
Commission

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ACCC WON'T OPPOSE TRONOX'S PROPOSED ACQUISITION OF CRISTAL'S TITANIUM DIOXIDE BUSINESS

The Australian Competition and Consumer Commission has decided to not oppose the proposed acquisition by Tronox Limited of the titanium dioxide business of National Titanium Dioxide Company Limited (Cristal).

Tronox and Cristal both produce titanium dioxide pigment in Australia, which is used as an additive in products such as paint, plastics, and ink to impart whiteness, provide opacity qualities, and protection by absorbing ultraviolet light. It is most commonly used in the production of coatings, largely for architectural and decorative purposes, as well as specialised coating applications such as in the automotive or marine industries.

"The ACCC's investigation has found that a combined Tronox-Cristal is likely to continue to face competition from imported titanium dioxide pigments," ACCC Commissioner Roger Featherston said.

"Australian pigment demand represents less than one per cent of global demand. The presence of other large multinational suppliers that could readily satisfy Australian demand is likely to constrain Tronox post-acquisition."

Tronox and Cristal both produce titanium dioxide in Western Australia, and there are no other Australian manufacturers. However, the product is relatively easy to transport from overseas and imports make up approximately 40 per cent of Australian demand.

"Customers can, and do, pre-approve the use of multiple pigment products from different suppliers, in the event of any supply issues. This can act as a bargaining tool as customers can threaten to switch suppliers over time in response to an anti-competitive price rise," Mr Featherston said.

"Greater production in China in recent years of increasing quality appears likely to provide additional alternative sources of supply in the future, and we are aware of plans to expand Chinese capacity over the next five years."

Notes to editors

Tronox is listed on the New York Stock Exchange and is a global company active in the production of titanium dioxide feedstocks and titanium dioxide pigment. In Australia, Tronox operates the mineral sands Cooljarloo mine, the Chandala dry mill and synthetic rutile plant, and Kwinana titanium dioxide pigment plant.

Cristal is a private global mineral sands mining and titanium dioxide pigment manufacturing company. In Australia, Cristal has activities in mineral sands mining through mines in Western Australia and New South Wales. The company also operates titanium dioxide pigment production facilities in Western Australia.

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