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## **COMP/M.4173 - NIPPON SHEET GLAS / PILKINGTON**

Nippon Sheet Glass Co., Ltd (“NSG”) announced its intention to acquire Pilkington plc (“Pilkington”) by way of a public bid on 27 February 2006. The proposed acquisition of Pilkington will take place through NSG UK Enterprises Limited (“NSG UK”), a wholly owned indirect subsidiary of NSG. The proposed acquisition is to be effected by way of a Court sanctioned scheme of arrangement whereby Pilkington will agree with its shareholders that its issued share capital will, with the consent and order of the High Court of England and Wales, be cancelled and new shares issued to NSG UK. It is currently anticipated that the Court will give its approval to the scheme of arrangement at the end of June 2006. The implementation of the scheme will be subject to approval by the relevant merger control authorities.

NSG is a Japanese company whose stock is listed on the Tokyo Stock Exchange. Its manufacturing operations are located in Asia. NSG has a diverse customer base across the construction, automotive and electronic industries, primarily in Japan and East Asia.

Pilkington is a UK registered company, listed on the London Stock Exchange. Pilkington is a manufacturer of glass and glazing products for the building and automotive industries. It is predominantly active in Europe.

NSG and Pilkington are at present essentially regional players, operating in different geographic markets. The proposed acquisition would create a truly global player. The very limited geographical overlap of the parties will allow the combined group to take advantage of their existing technology and product development capabilities to become a truly multinational company.

NSG has held a minority interest of 20% in Pilkington since 2001. The acquisition of Pilkington’s remaining issued share capital has been at the core of NSG’s long-term strategy. NSG’s and Pilkington’s businesses are highly complementary. The combination of their significant technological capabilities and resources will allow the merged company to pursue innovative product development opportunities and manufacturing process improvements. As a result of the complementary nature of NSG’s and Pilkington’s businesses the merged company will also achieve global reach, with increased client coverage over several continents, as well as better position it to expand into other emerging markets in the future. This global reach will offer the potential to achieve economies of scale and cross-sell new products, as well as making the combined group more resilient to sector and geographical challenges.