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COMP/M.4516 – CONTINENTAL / MATADOR

SECTION 1.2

Description of the concentration

The concentration concerns the acquisition of sole control over the rubber business of Matador a.s. (“*Matador*”) by Continental Aktiengesellschaft (“*Continental*”). For this purpose, Matador will transfer all assets and liabilities of its rubber business (“*Matador’s Rubber Business*”) to the newly created company named Matador Rubber s.r.o. (“*Matador Rubber*”). Continental will buy the majority of the shares (51%) in Matador Rubber from Zonelane Limited (“*Zonelane*”), thereby acquiring sole control over Matador’s Rubber Business. All non-rubber activities of Matador will remain with Matador. Continental will be granted the option to acquire a further 15% of the shares in Matador Rubber after three years plus the additional option to acquire all other outstanding shares after ten years. Zonelane will be granted the option to make Continental buy the remaining shares of 49% either in packages of at least 10% or to make it buy all remaining shares in one package.

Continental is a supplier of tyres, technical rubber products, brake systems, chassis components and vehicle electronics. It is organised in four divisional areas, i.e. (i) passenger and light truck tyres, (ii) commercial vehicle tyres, (iii) ContiTech and (iv) automotive systems.

Matador’s Rubber Business comprises three divisions, i.e. (i) the tyre division, (ii) the conveyor belt division and (iii) the machinery division. The tyre division is by far the most important part of Matador’s Rubber Business.

The economic sector relevant to the transaction is the rubber business, especially the manufacture and distribution of tyres both in the OE sector and the replacement sector as well as the manufacture and distribution of conveyor belts and tyre building machines. The parties’ business is largely complementary because of their different geographic and product focus.

In Europe, Continental is predominantly active in the Western parts and focuses mainly on the premium segment. In contrast to this, Matador’s Rubber Business is

focused on the former Communist countries in Central and Eastern Europe, especially Russia and the former Soviet republics, and offers tyres and conveyor belts only in the ultra-cheap and budget segment.