

***Case No COMP/M.1869 -
CVC / BTR SIEBE
AUTOMOTIVE
SEALING SYSTEMS***

Only the English text is available and authentic.

**REGULATION (EEC) No 4064/89
MERGER PROCEDURE**

Article 6(1)(b) NON-OPPOSITION
Date: 06/03/2000

*Also available in the CELEX database
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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 06-03-2000
SG (2000) D/102134

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying parties

Dear Sirs,

Subject: Case No COMP/M.1869 CVC/BTR Siebe Automotive Sealing Systems
Notification of 3.02.2000 pursuant to Article 4 of Council Regulation No 4064/89

1. On 3.02.2000, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89¹ by which the CVC group ("CVC"), acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the BTR Siebe Automotive Sealing Systems Group ("Sealing Systems Group") by way of purchase of shares and purchase of assets.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

¹ OJ L 395, 30.12.1989 p. 1; corrigendum OJ L 257 of 21.9.1990, p. 13; Regulation as last amended by Regulation (EC) No 1310/97 (OJ L 180, 9. 7. 1997, p. 1, corrigendum OJ L 40, 13.2.1998, p. 17).

I. THE PARTIES' ACTIVITIES AND THE OPERATION

3. The CVC Group is a group of companies which manage and control several venture capital funds. The Sealing Systems Group belongs to the UK based Invensys Group and develops and produces on a worldwide basis automotive sealing products, automotive hoses and wire carrier. Two venture capital funds which are controlled and managed by CVC European Equity II Limited, which in turn belongs to the CVC group, acquire a number of companies and assets which make up the Sealing Systems Group.

II. COMMUNITY DIMENSION

4. CVC and Sealing have a combined aggregate worldwide turnover in excess of EUR 5,000 million (CVC, EUR 15.848 million; and Sealing Systems Group EUR 986 million). Each of them has a Community-wide turnover in excess of EUR 250 million (CVC, EUR 11.336 million; and Sealing Systems Group, EUR 632 million), but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension, but does not constitute a cooperation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

III. COMPETITIVE ASSESSMENT

A. Relevant product market

5. The Sealing Systems Group develops and produces automotive sealing products. These are products usually made with a polymer or rubber base to seal vehicle windows doors, sunroofs, or body parts to stop water, wind and dust and to reduce noise penetration. Sealing Systems also produces wire carrier which is a component incorporated into wheatherseals. Other products made by Sealing Systems are automotive hoses and rubber sheeting products. CVC submits that automotive sealing products, automotive hoses and rubber sheeting constitute markets of their own. However, it is not necessary to further delineate the relevant product markets because, in all alternative market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

B. Relevant geographic market

6. CVC submits that the relevant geographic market for automotive sealing products and automotive hoses are at least EEA wide and that the market for rubber sheeting is European. It is not necessary to further delineate the relevant geographic markets because, in all alternative geographic market definitions considered, effective competition would not be significantly impeded in the EEA or any substantial part of that area.

C. Assessment

7. CVC has stated that no company controlled by any member of the CVC Group produces automotive sealing products, automotive hoses or wire carrier or products which could be considered substitutes for any of those products. Furthermore, none of these companies is active in any market which is upstream or downstream to the markets for any of those products. Therefore, the operation does not lead to any overlap. In view of the absence of any addition of market shares the operation does not raise any competition concerns. Consequently, the proposed concentration does not create or strengthen a dominant

position as a result of which effective competition would be significantly impeded in the EEA or any substantial part of that area.

IV. ANCILLARY RESTRICTIONS

8. CVC and the seller Invensys Group have concluded a non-compete clause according to which Invensys Group will not be engaged in any business which competes with the Sealing Systems Group's business for a period of three years. CVC states that the acquisition also includes goodwill and know-how. The non compete obligation is limited in scope to the business acquired and to those geographical areas in which the business was previously carried out by the vendors. Invensys has also agreed on a non-solicitation clause for a period of two years. These clauses are directly related and necessary for the implementation of the concentration as they serve to guarantee the transfer to the acquirer of the full value of the assets acquired.

V. CONCLUSION

9. For the above reasons, the Commission has decided not to oppose the notified operation and to declare it compatible with the common market and with the EEA Agreement. This decision is adopted in application of Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,

Signed by Mario Monti