

***Case No COMP/M.2584 -
TYCO / SENSORMATIC***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 01/10/2001

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

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 Where possible the information omitted has been replaced by ranges of figures or a general description.

Brussels, 01.10.2001
SG(2001)D/291609

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sir/Madam,

Subject: Case No COMP/M.2584 – Tyco/Sensormatic

Notification of 29.08.2001 pursuant to Article 4 of Council Regulation No 4064/89

- I.1. On 29.08.01, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89¹ by which the undertaking Tyco International Ltd (“Tyco”) acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of Sensormatic Electronics Corporation (“Sensormatic”) by way of purchase of shares.
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.

II. THE PARTIES

3. Tyco is US diversified manufacturing and service company which is primarily active in electronic security systems, medical supplies and other specialty products, undersea cable communications systems, components and multi-layered printed circuit boards, environmental consulting services, financial services and related financial products.
4. Sensormatic is a US company which is primarily active in electronic article surveillance, electronic security systems, and fire protection systems.

III. THE OPERATION AND THE CONCENTRATION

5. Sensormatic will merge with and into a wholly-owned subsidiary of Tyco acquisition Corp., with Tyco acquisition Corp. being the surviving entity. The notified operation therefore constitutes an acquisition of sole control by Tyco over Sensormatic and a concentration within the meaning of Art. 3(1)b of the Merger Regulation.

IV. COMMUNITY DIMENSION

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).

6. The undertakings concerned have a combined aggregate world-wide turnover of more than EUR 5 billion² (Tyco EUR 34,370 million, Sensormatic EUR 1,228 million). Each of Tyco and Sensormatic have a Community-wide turnover in excess of EUR 250 million (Tyco EUR [...] million, Sensormatic EUR [...] 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.

IV. COMPETITIVE ASSESSMENT

7. Both Tyco and Sensormatic are active in the supply of electronic security systems. In addition they are both active in fire protection systems in which Sensormatic has only a presence in Belgium.
8. The only affected market would arise in relation to fire protection systems in Belgium where on the narrower product market definition (fire detection business) which constitutes the worst case scenario, the combined market share would be [25-35]% with Sensormatic share of [0-10]%.
9. In view of the limited activity in fire protection systems of Sensormatic in Belgium (approximately € [...]) and the presence of other competitors, the concentration does not give rise to a competition concern.

V. CONCLUSION

10. 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,
Mario MONTI
Member of the Commission

² Turnover calculated in accordance with Article 5(1) of the Merger Regulation and the Commission Notice on the calculation of turnover (OJ C66, 2.3.1998, p25). To the extent that figures include turnover for the period before 1.1.1999, they are calculated on the basis of average ECU exchange rates and translated into EUR on a one-for-one basis.