

***Case No COMP/M.3013 -
CARLYLE GROUP /
EDSCHA***

Only the English text is available and authentic.

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

Article 6(1)(b) NON-OPPOSITION
Date: 16/12/2002

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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 Where possible the information omitted has been replaced by ranges of figures or a general description.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, 16.12.2002
SG (2002) D/233192

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sir/Madam,

**Subject: Case No COMP/M.3013-Carlyle Group/Edscha
Notification of 13.11.2002 pursuant to Article 4 of Council Regulation
No 4064/89¹**

1. On 13th November 2002 the Commission received a notification of a concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which [...] ("Carlyle") acquires sole control over Edscha AG ("Edscha").
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of the Merger Regulation and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

I. THE PARTIES

3. Carlyle is a limited partnership registered in the Cayman Islands [...]. Carlyle [...] is a private global investment firm. Amongst its investments, Carlyle controls Honsel IT, a supplier of light-metal components to the automotive and engineering industry.
4. Edscha is a joint stock corporation existing under German Law. Edscha is a global supplier to the automotive industry and develops manufactures and distributes products through four independent business segments: hinge systems, convertible roof systems, driver controls, truck sliding roofs. Edscha is also active in the provision of vehicle development engineering services and has also some limited mobile car jack manufacturing activities.

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).

II. THE CONCENTRATION

5. Post transaction Carlyle will solely control Edscha through ownership of a majority of the voting shares in a holding company, which controls Edscha.

III. COMMUNITY DIMENSION

6. In view of the worldwide and Community turnover figures of the parties, the concentration has a Community dimension pursuant to the Article 1(2) of the Merger Regulation.

IV. THE RELEVANT MARKETS

A. RELEVANT PRODUCT MARKETS

7. The parties submit that the markets for hinge systems, convertible roof systems, driver controls and sliding roof systems constitute separate product markets.
8. Hinge systems for the automotive industry cover door hinges and door checks as well as engine hood and hatch hinges. All automotive hinges are typically made from steel. A few car manufacturers have, for specific models, started using hinges made from aluminium using an extruding process. Convertible roof systems include soft tops, hard tops and retractable hardtops. Driver controls include pedals, pedal box modules and parking brakes. Sliding roofs for trucks include sliders; full-canvas tops and sliding bow roofs.
9. It is not necessary to decide definitively the exact product market definition in the present case since the transaction does not give rise to any competition concerns (see below).

B. THE RELEVANT GEOGRAPHIC MARKET

10. In line with previous Commission decisions in the automobile components sector², the parties submit that the markets for hinge systems, convertible roof systems, driver controls and truck sliding roofs are at least EEA-wide.
11. It is not necessary to decide definitively the exact geographic market definition in the present case since the transaction does not give rise to any competition concerns on any possible geographic market (see below).

V. ASSESSMENT

12. There are no horizontal overlaps between the parties' business activities and there is only one area where there is a vertical relationship between the parties, i.e. hinge systems. Honsel, a Carlyle portfolio company supplies very limited quantities of light metal (e.g. aluminium) components to Edscha for inclusion in Edscha's hinge systems.
13. Edscha has a strong presence on the market for hinge systems at the EEA level ([45-55]%). However Edscha faces competition from companies such as Multmatic Inc. ([0-

² See e.g. Case no. IV/M.768 – *Lucas/Varity*; Case no. IV/M.1245 – *Valeo/ITT Industries*; Case no. COMP/M.1491 – *Robert Bosch/Magneti Marelli*; Case no. COMP/M.1363 – *DuPont/Hoechst/Herberts*.

10]%), Aisin Seiki Co. Ltd ([0-10]%), Gammastamp ([0-10]%) Oxford Automotive Inc. ([0-10]%), Ohi Seisakusho ([0-10]%), ISE Innomotive Systems Europe GmbH ([0-10]%), Kirchoff ([0-10]%), MGI Courtier SA ([0-10]%). Moreover, hinge system customers, that is, the major automobile manufacturers, exercise significant purchasing power.

14. To manufacture aluminium hinge systems, the hinge systems producers such as Edscha source aluminium extrusions from third party suppliers. Extruding is the most economical means of forming aluminium in a certain shape. Aluminium extrusions permit the further processing of the aluminium in order to produce hinges. The parties submit that the supply of aluminium extrusions is at least EEA-wide. Honsel has a very small market share of [0-10]% in this aluminium extrusions market at the EEA level, and faces competition from dozens of companies such as Hydro-Aluminium ([0-10]%), Alcan-Suisse ([0-10]%), Alcoa ([0-10]%), Pechiney-Aluminium ([0-10]%), Corus Aluminium ([0-10]%), Erbslöh ([0-10]%) and Fuchs ([0-10]%).
15. Since there are no horizontal overlaps and because Honsel, controlled by Carlyle, has only [0-10] % market share in the aluminium extrusion market, an upstream market for hinge systems, it can be concluded that the concentration will have no restrictive effects on competition.

VI. CONCLUSION

16. On the basis of the foregoing, 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