

Disclaimer :

The Competition DG makes the information provided by the notifying parties in section 1.2 of Form CO available to the public in order to increase transparency. This information has been prepared by the notifying parties under their sole responsibility, and its content in no way prejudices the view the Commission may take of the planned operation. Nor can the Commission be held responsible for any incorrect or misleading information contained therein.

COMP/M.4126 - LBO FRANCE / CEGELEC HOLDINGS

SECTION 1.2

Description of the concentration

This notification concerns the proposed acquisition of all of the shares of Cegelec Holdings SAS ("**Cegelec**") by Financière Cegelec SAS ("**Financière Cegelec**"), a subsidiary created to effect the acquisition of Cegelec and ultimately controlled by LBO France Gestion ("**LBO France**"). Financière Cegelec will acquire Cegelec from a number of financial investors, principally CharterhouseLuxCo SA, CDC Entreprises FCPR and CDC Entreprises II FCPR.

The transaction satisfies the turnover tests in Article 1.2 of the EC Merger Regulation. It is also being notified for clearance in Ukraine.

LBO France is a French société par actions simplifiée, whose share capital is held by five shareholders, all individuals, through holding companies. It manages a number of investment funds that are involved in small cap or mid-cap acquisitions. It focuses on leveraged buy-outs and has interests in a broad range of businesses in different sectors.

Cegelec is a société par actions simplifiée. The Cegelec group provides electrical and mechanical contracting services, project management, servicing and maintenance in a number of industrial sectors. It is essentially engaged in five main types of business: (i) electrical and technical installation; (ii) installation of communications networks; (iii) automation, instrumentation and control; (iv) mechanical engineering and piping; heating, ventilation and air-conditioning ("HVAC"); and plumbing; and (v) maintenance and facilities management services. It has operations in the EU, South America, Africa and Asia. Its principal operations are in France, Germany, Morocco, Belgium and the Netherlands, and it has a presence in more than 30 countries altogether.

There are no horizontal overlaps between Cegelec and any of the companies controlled by LBO France, whose activities comprise: research and development in the pharmaceutical sector; manufacture of machines for testing, measuring, monitoring and handling purposes; project studies, expert consultation and technical assistance; manufacture of construction materials (mortars, aluminates, paints, and admixtures); hotel services; pet food manufacturing; manufacture and packaging of hygiene and cleaning products; design and manufacture of electronic shelf labels; manufacture of capacitors and frequency tuning components; manufacture of laminated floor coverings; manufacture, distribution, and installation of water, electricity, gas, and heat meters; fire waste disposal; production of limestone, marble and granite products; production of clay roofing bricks and tiles; and production of metallic abrasives and diamond tools.

There were very limited vertical relationships between the parties in France and Germany in 2005. These comprised: (i) the supply by Cegelec in France of facilities management services

and of substation and lighting refurbishment services to Temex and Rocamat, respectively, both LBO France companies purchasing these services for their own use as ultimate consumers; and (ii) the supply to Cegelec of a very small amount of HVAC and other measuring equipment in France and Germany and workshop consumables in France, by Actaris and Zolpan, respectively. Neither party is active in any other market upstream or downstream from, or neighbouring, a market in which the other is active.

The absence of any horizontal relationship and the de minimis nature of the vertical relationships described above mean that this concentration will not significantly impede effective competition in the common market or a substantial part of it.

LBO France's rationale in making the acquisition is to acquire what it considers to be a reasonable and promising investment. The sale of Cegelec is intended to enable the Sellers to refocus their respective portfolios in other areas.