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COMP/M.4288-SAAB / EMW

SECTION 1.2

Description of the concentration

The notified concentration concerns the acquisition of sole control by the Swedish company Saab AB (“Saab”) of the Swedish company Ericsson Microwave Systems AB (“EMW”), currently a subsidiary of Telefonaktiebolaget LM Ericsson AB (“Ericsson”).

EMW is active in the market for defence electronics and avionics. The company provides radar sensors and tailor made information networks and related after-sales services for both civilian and military purposes including surface based, airborne and naval military radars and non-radar products such as a ground based electronic warfare systems, an advanced radar-integrated missile data link and an airborne computer system. Through Saab Ericsson Space (“SES”) which is jointly controlled by Saab (60%) and EMW (40%), EMW is also active in the market for space equipment. SES is a sub-contractor in the space equipment industry which specializes in digital and microwave electronics and antennas to satellite manufacturers.

Furthermore, EMW holds shares in three project related joint ventures. These are however not full-function joint ventures performing on a lasting basis all the functions of an autonomous economic entity.

Saab is a public Swedish high-technology company, with its main operations in defence, aviation, space (through SES) and civil security. The company supplies advanced products and systems based on sophisticated information technology. Saab is *inter alia* operating as a system house which integrates solutions to its customers consisting of various products and sub-systems, either produced in-house or purchased from sub-contractors. Saab is jointly controlled by Investor AB and BAE Systems Plc.

Investor is a Swedish industrial holding company listed on the Stockholm Stock Exchange. Investor has a diversified portfolio of holdings in the healthcare-, technology-, engineering- and financial services sectors.

BAE Systems is an international manufacturer of advanced systems for the defence and commercial aerospace sectors. The company (either directly or through joint ventures) designs, manufactures and supports military aircraft, surface ships, submarines, fighting vehicles, radar, avionics, communications, electronics, GWS and a range of other products.

The Transaction does not involve any horizontal overlaps and the vertical relationships between the parties are not envisaged to affect competition negatively considering the market positions of the undertakings concerned. In addition, the newly created Code of Conduct and Code of Best Practice will further counteract any vertical foreclosure effects.