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## **COMP/M. 4336 - MAN / SCANIA**

### **SECTION 1.2**

#### **Description of the concentration**

The proposed concentration involves the acquisition of control over Scania AB, Södertälje, Sweden (*Scania*), by MAN Aktiengesellschaft, Munich, Germany (*MAN*).

MAN intends to acquire the majority of the shares of Scania. In order to do so MAN will make a public offer for the entire share capital of Scania which will consist of cash only offer or cash and shares in MAN offer. In advance of this public offer, MAN has entered into negotiations with Scania's largest shareholders, Volkswagen AG which holds 18.7% of the capital and 34% of the votes in Scania, and Investor, which is controlled by the Wallenberg family and holds 10.8% of the capital and 19.3% of the votes in Scania. The Wallenberg Foundation holds another 5.8% of the capital and 10.6% of the votes which leads to a total of 29.9% of the votes controlled by the Wallenberg family. MAN intends to reach an agreement with these two shareholders in order to formulate a public offer which they will accept. MAN has acquired a 14.54% voting interest and a 11.63% capital interest in Scania since the announcement of its intention to make a public offer. Should the public offer be successful, MAN will acquire sole control over Scania, within the meaning of Art. 3(1)(b) ECMR.

MAN, a German company, develops, manufactures, markets and sells heavy and medium-sized trucks from 7.5 to 50 tonnes gross weight for any application, buses and coaches, chassis and floor assemblies for buses, industrial and marine engines, large two-stroke and four stroke diesel engines, turbomachines and also provides industrial services. Its main activities are in Europe.

Scania is a Swedish company and develops, manufactures, markets and sells trucks with a gross vehicle weight of more than 16 tonnes for long-haulage, construction haulage and distribution of goods. Scania also manufactures and sells buses and chassis for buses. In addition, Scania has some industrial and marine engines activities. These engines may be used in container cranes, pilot boats, irrigation units or power generating sets. Scania's focus is also on the European markets.

Both Parties also offer additional services connected to their core business such as financing, insurance, leasing and maintenance of trucks and buses.

The Transaction will primarily have an impact on markets in the business segments trucks, buses and chassis for buses and – to a lesser extent – in the business segment diesel engines. The Transaction will lead to overlapping market positions in the market for heavy trucks. Also, in the markets for city buses, inter-city buses, coaches and chassis the Transaction will lead to overlapping activities which will result in a number of affected markets. However, the concentration will not significantly impede effective competition as the combined entity will continue to face fierce competition from a number of strong competitors which will even post-Transaction be in a stronger position on the international level than the Parties will achieve.