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M.7271- RUSSIAN MACHINES / FRITZMEIER / JV

SECTION 1.2

Description of the concentration

On 17 June 2014, the Commission received notification of a proposed concentration pursuant to Article 4 of Council Regulation (EC) No. 139/2004. This concentration involves the creation of a joint venture by OOO “Russian Machines” RM and Fritzmeier Auslandsholding GmbH & Co. KG, which will manufacture cabs for construction equipment, agricultural machinery and other vehicles in the Russian Federation, and will distribute such cabs in the Russian Federation and possibly other CIS countries. Principally, Russian Machines is contributing the plant and Fritzmeier is contributing the equipment, product development, design and technical services and training.

The notifying parties consider that the proposed concentration raises no competition issues.

The business activities of the undertakings concerned are:

OOO “Russian Machines” RM is a manufacturer of a broad range of civilian machines and equipment in the Russian Federation and has no business in the EEA. Russian Machines is ultimately controlled by the Basic Element group, which is one of the Russian Federation’s largest business groupings, with stakes in many companies over a highly diversified range of business sectors.

Fritzmeier Auslandsholding GmbH & Co. KG is an intermediate holding company in the Fritzmeier group of companies which, inter alia, manufactures complete driver’s cabs, system parts and components for the vehicle industry and for agriculture. The group has its operational headquarters in Germany and sells to customers across the world.

The above-mentioned parents will establish a joint venture corporate structure, the holding company of which will be FRM Holding GmbH Limited Liability Company. This Austrian entity will have one wholly-owned Russian operating subsidiary that will engage in the manufacture of cabs for construction machines, mining machines and agricultural machines in the Russian Federation and possibly other CIS countries.

The transaction is a notifiable concentration as the respective turnovers of the Basic Element group and the Fritzmeier group exceed the relevant thresholds.