

***Case No COMP/M.2240 -
CVC / MASCOTECH***

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

Article 6(1)(b) NON-OPPOSITION
Date: 20/03/2001

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COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 20.03.2001
SG(2001)D/286911

PUBLIC VERSION

MERGER PROCEDURE
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sir/Madam,

Subject : Case No. COMP/M.2240 – CVC/MASCOTECH

Notification of 19.02.2001 pursuant to Article 4 of Council Regulation No. 4064/89

1. On 19/02/2001, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89 by which Citicorp Venture Capital Ltd. ('CVC') acquires within the meaning of Article 3(1)b of the Council Regulation control of the whole of MSX International Inc. ('MSX') and Delco Remy International Inc. ('Delco Remy') by way of purchase of shares.
2. After examination of the notification, the Commission has concluded that the notified operations falls within the scope of the Council Regulation No 4064/89 and does not raise serious doubts as to its compatibility with the common market and the functioning of the EEA Agreement.

I. CONCENTRATION

3. CVC is a wholly owned subsidiary of Citigroup Inc., a diversified holding company providing world-wide a range of financial services to consumer and corporate customers.
4. MSX, an American company, is a global provider of technology-driven engineering and specialised staffing services mainly for the automotive industry. Delco Remy, also American, is a manufacturer of electrical, electronic, drivetrain and related components

for automobiles and heavy vehicles. The company products include starters, alternators, engines, transmissions, torque converters, traction control systems and fuel systems.

5. The operation consists of CVC acquiring sole control of MSX and Delco Remy by way of purchase of shares. The shares subject to the operation represent a part of the vehicle-related business of Masco Tech, Inc. ("Masco Tech"), which will transfer its participations in MSX and Delco Remy to CVC on the basis of a stock purchase agreement. CVC held a minority participation in both MSX and Delco Remy before the transaction; as a result of the operation CVC will own a sufficient number of voting shares to exercise sole control of the two companies. The transaction constitutes a single concentration under the Merger Regulation in view of the fact that the transfers of control of both MSX and Delco Remy are being effected simultaneously.

II. COMMUNITY DIMENSION

6. The undertakings concerned have combined aggregate worldwide turnover of more than EUR 5 billion. Both of them have a Community-wide turnover in excess of EUR 250 million, but they do not achieve more than two-thirds of their aggregate Community-wide turnover within one and the same Member State. The notified operation therefore has a Community dimension. It does not constitute a cooperation case under the EEA Agreement.

III. COMPATIBILITY WITH THE COMMON MARKET

7. CVC, MSX and Delco Remy are active on different product markets. None of the companies is active on a market which is upstream or downstream of any other. CVC is a financial services provider. MSX is a global provider of technology-driven engineering and specialised staffing services mainly for the automotive industry but it is not active in the manufacturing of car components, which is the core of Delco Remy's business.

IV. CONCLUSION

8. For the above reasons 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 Articles 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission,
*Signed M. MONTI, (Member of the
Commission)*