

***Case No COMP/M.2435 -  
EDS / SYSTEMATICS***

Only the English text is available and authentic.

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

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Article 6(1)(b) NON-OPPOSITION

Date: 11/05/2001

*Also available in the CELEX database  
Document No 301M2435*



# COMMISSION OF THE EUROPEAN COMMUNITIES

Brussels, 11.05.2001

In the published version of this decision, some information has been omitted pursuant to Article 17(2) of Council Regulation (EEC) No 4064/89 concerning non-disclosure of business secrets and other confidential information. The omissions are shown thus [...]. Where possible the information omitted has been replaced by ranges of figures or a general description.

PUBLIC VERSION

MERGER PROCEDURE  
ARTICLE 6(1)(b) DECISION

To the notifying party

Dear Sir/Madam,

**Subject: Case No COMP/M.2435-EDS/Systematics**

**Notification of 04/04/2001 pursuant to Article 4 of Council Regulation No 4064/89<sup>1</sup>**

1. On 04.04.2001, the Commission received a notification of a proposed concentration pursuant to Article 4 of Council Regulation (EEC) No 4064/89<sup>2</sup> by which the American company Electronic Data Systems Corporation ('EDS') acquires within the meaning of Article 3(1)(b) of the Council Regulation control of the whole of the German company Systematics AG ("Systematics") by way of purchase of shares.
2. After examination of the notification, the Commission has concluded that the notified operation falls within the scope of Council Regulation (EEC) No 4064/89 and does not raise serious doubts as to its compatibility with the common market and with the EEA Agreement.

## **I. THE PARTIES AND THE TRANSACTION**

3. EDS is mainly engaged in the provision of IT services, and also provides strategic management consultancy services (not IT-related) through its subsidiary A.T. Kearney. Systematics is active in the provision of IT services.

## **II. CONCENTRATION**

4. EDS is acquiring control of the whole of Systematics, and therefore the operation constitutes a concentration within the meaning of Article 3(1)(b) of the Merger Regulation.

## **III. COMMUNITY DIMENSION**

5. EDS and Systematics have a combined aggregate worldwide turnover in excess of EUR 5,000 million<sup>2</sup>. Each of them has 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

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<sup>1</sup> OJ L 395, 30.12.1989 p. 1; corrigendum OJ L 257 of 21.9.1990, p. 13; Regulation as last amended by Regulation (EC) No 1310/97 (OJ L 180, 9. 7. 1997, p. 1, corrigendum OJ L 40, 13.2.1998, p. 17).

<sup>2</sup> OJ L 395, 30.12.1989 p. 1; corrigendum OJ L 257 of 21.9.1990, p. 13; Regulation as last amended by Regulation (EC) No 1310/97 (OJ L 180, 9. 7. 1997, p. 1, corrigendum OJ L 40, 13.2.1998, p. 17).

the same Member State. The notified operation therefore has a Community dimension, but does not constitute a cooperation case under the EEA Agreement, pursuant to Article 57 of that Agreement.

#### **IV. COMPETITIVE ASSESSMENT**

6. The only overlap between the parties is in the markets for IT management and services, and IT consulting/development and integration, which in previous decisions (e.g. M.1561 Getronics/Wang) the Commission has considered as constituting separate markets within the overall IT services sector. Even on a national basis there are no affected markets in the sense of the Merger Regulation, the highest combined shares being about [ $<10$ ]% in the United Kingdom for IT management and services and [10-30]% in Germany for IT consulting/development and integration. Post-merger the parties would face strong competition in these fast-evolving sectors.

#### **V. CONCLUSION**

7. 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 Article 6(1)(b) of Council Regulation (EEC) No 4064/89.

For the Commission  
Mario MONTI  
Member of the Commission